UNITED STATES
DEPARTMENT OF THE INTERIOR
Defense Minerals Exploration Administration

OFFICIAL DOCKET FILE

Terminated (or cancelled) without certification. DMEA No. 1225

This is the official contract file containing all official records of the project. Duplicate material has been removed. The records contained in the files are checked and are arranged in this manner:

Left Side

- ✓ Certificate of Audit (Final).
- ✓ Interim Audit(s).
- Report of Review.
- ✓ Termination Notice or Agreement.
- Recision Notice.
- Assignment of Contract.
- ✓ Contract Amendments (latest on top).
- ✓ Contract with all exhibits and annexes.
- Owner's Consent to Lien.
- Subordination Agreement.
- Leases and assignments of leases.
- ✓ Application and attachments.
- ✓ Schedule of Collections.
- ✓ Operator's monthly reports and all attachments (latest on top).

Right Side

- ✓ Project summary.
- ✓ Work completed analysis.

All other material is filed in chronological order with correspondence including the following reports as checked:

- ✓ Final Field Team Report. (Tab)
- ✓ Operator's Final Report.
- Interim Reports.
- On-site Exam Report(s). (Tab)
- Settlement Sheets.

If additional folders are required because of volume of records, show folder numbers and contents below:

Maps in folder number _____

Operator's Monthly Reports in folder number _____

S. J. M.
Reviewer's Initials

7973

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

Callahan Zinc-Lead Company
100 Park Avenue
New York, N. Y.

pertaining to Exploration Contract Idm-E235, Docket No. 1225X, including amendments one and two, and termination agreement, covering a project of exploration for lead and zinc located in Gunnison County, Colorado, Tomichi Mining District, commonly known as the Erie Mine, for the period January 23, 1952 to June, 1952, and including subsequent settlement on December 10, 1953.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the Contractor:

Total Cost per MF-104		$15,741.42
Less Proceeds from Property Disposition		100.00
		$15,641.42
Exceptions: (See Audit Report for Details)		
During this Audit	- - -	
Prior to this Audit	$220.97	220.97
Total Accepted Cost		$15,420.45

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the Contractor by the Government in the amount of Seven-Thousand Seven-Hundred Ten and 23/100 Dollars

- $7,710.23 -

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

Dated: December 18, 1953.

T. H. Brading, Auditor

[illegible]

I. INTRODUCTION

[illegible]

[illegible]
[illegible] Avenue
New York, N. Y.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

II. [illegible]

[illegible]

III. SCOPE OF AUDIT AND FINDINGS

This audit was limited to ascertaining the accuracy, propriety and validity of the costs shown in Voucher [illegible] of Form [illegible] for the month of June, 1952. The extent of the audit and findings under each of the Items of Cost follows. In view of the previous audit covering the period from January [illegible] to May 31, 1952, except as otherwise indicated, audit is limited to costs since that latter date.

(1) Independent Contractor

Not applicable to this contract.

(2) Labor and Supervision

All charges under subject item (1) were checked against the amounts recorded on the monthly work sheets. The labor charges for the month of June, were checked from individual time tickets approved by the Unit 3 as to the Engineer's calculation sheet, and to the individual earnings record.

Balance, June 30, 1952	$[illegible]
Balance, previous Audit	[illegible]
Accepted Cost, this Audit	$ [illegible]

Supervision

An analysis of charges for supervision salaries for the entire period was made. These charges are prorated on a man shift basis and appear to be reasonable.

	Prior Audit	June, 1952	Total
J. E. Lund, Superintendent	[illegible]	$ [illegible]	$[illegible]
Ira Keeler, Line Foreman	[illegible]	[illegible]	[illegible]
Total Supervision	$[illegible]	$ [illegible]	$[illegible]

Costs for labor and supervision are properly allowable and chargeable under the terms of the contract and amendments.

(3) Operating Materials and Supplies

All charges for operating materials and supplies were checked to work sheets. An analysis was made to determine propriety of the item charges. Issues from stores were checked against stores records and requisitions.

It was ascertained that company stores are priced out at average unit purchase costs, including freight and sales tax, without the addition of any mark up. All stores are charged to the project at the same unit price charged company operations.

The costs properly chargeable and allowable under this category are shown in the following analysis:

	Prior Audit	Disallowances	Balance	June 1952	Allowed by Audit
Timber	$ 296.11				$ 296.11
Explosives	928.24			$91.81	1,020.05
Pipe	244.29				244.29
Track	4.96				4.96
Miscellaneous	2,355.44	(1) $220.97	$2,134.47	44.20	2,128.67 (2)
	$3,829.04	$220.97	$2,134.47	$136.01	$3,694.08

(1) $211.00 of this amount was disallowed prior to this audit. Balance of $9.97 covers following disallowances made by Finance Officer on June MF-104 Report and confirmed by this audit:

Mine Lamp Rental	$ 3.08
Pro Rata Charge, Office Expense	.99
Repairs to Equipment, Akron Unit	5.90
Total	$ 9.97

(2) Miscellaneous Supplies of $2,128.67 is further analyzed as follows:

Drill Steel and Bits	$ 953.70
Wire	606.55
Hand Tools	60.63
Air and Water Hose	80.69
Nails, Hardware, etc.	109.94
From Proration:	
Shop Supplies	190.30
Camp Supplies	162.20
Other Supplies	14.66
Total - Miscellaneous Supplies	$2,178.67
Less Contractor's bid of $100.00 for supplies and materials on hand	100.00
Total Miscellaneous Supplies	$2,078.67

The total of $3,694.06 for materials and supplies is considered as a proper and allowable charge under the terms of the contract and amendments.

Power

Charges for power are prorated on the basis of a study made by power company engineers. Costs are based on meter reading at the Erie Mine. These costs are allocated as follows:

Akron Mine	1/3
Erie Mine	2/3

The cost to the Erie Mine is further prorated between company and exploratory operations. Total power bills for the period from February, 1952 to June, 1952 was $15,790.51. Of this amount $1,081.19 or approximately 6.8% was charged to exploration work. This cost is considered reasonable and is a proper and allowable charge under the contract and amendments.

(4) Operating Equipment

Depreciation

All charges for depreciation of company owned equipment were checked to work sheets. Rates were in accordance with those established in the contract. Periods used were verified by reference to Examining Engineer's Narrative Report. Detail of these charges by periods and claims of equipment follows:

Equipment	Rates Per Month	Months Used*	Prior Audit	June	Total
Air Locomotive	$23.00	2	$46.00	$7.67	$53.67
Mine Cars	4.25	2	(2) 17.00		17.00
Mine Cars	4.25	2	(4) 34.00		34.00
Mine Cars	4.25	1	(6)	8.50	8.50
Ventilation Fan	10.00	4	40.00	3.34	43.34
Air Hoist	13.00	3	39.00	4.33	43.33
Air Drills	28.00	4	112.00	9.33	121.33
Drill Cleaner	1.00	1	1.00	.33	1.33
Dodge Truck	13.00	4	52.00	4.33	56.33
Air Pump	3.00	4	12.00	1.00	12.00
Totals			$353.00	$38.83	$391.83

*In view of the fact the project was closed down on June 10, 1952 1/3 of monthly depreciation is allowed for that month. Total of

$321.83 is considered as a proper and allowable cost under the terms of the contract and amendments.

(5) Initial Rehabilitation and Repairs

Not applicable to this contract.

(6) New Buildings, Improvements, etc.

Not applicable to this contract.

(7) Miscellaneous

Repairs to Equipment

All charges for repairs to equipment were examined as to propriety and validity. Test check of requisitions to stores records was made. A breakdown of these charges is shown below:

Drills	$317.91
Pump	13.53
Ambulance	7.87
From Proration	189.96
Total	$529.27

Total charges were reviewed with the Examining Engineer who advised that in his opinion they were proper charges under the terms of the contract.

Payroll Taxes

Charges for payroll taxes were verified by computation at rates shown to be in effect by the company's file. These rates were:

F.I.C.A.	1.5
Unemployment	1.325

Charges for Boarding House Subsidy were prorated on the basis as outlined in the contract.

IV. CONCLUSIONS

On November 17, 1953, Mr. L. A. Balo, Treasurer, submitted a bid in the amount of $[illegible].00 covering Government equity in supplies and materials on hand. In view of the limited amount of supplies and materials on hand coupled with the inaccessibility of the property, other bids were not obtained, and Mr. [illegible] E. King, Executive Officer, DGSA Field Team, Region IV, accepted this bid on December 10, 1953.

This audit has disclosed that all costs or charges to the project, with the exception of the disallowances itemized under Item (3) Operating Materials and Supplies, of the preceding section of this report, and adjustments for disposal of property in which the Government has an equity, are reasonable and proper under the terms of the contract and amendments.

The adjustments between Items of Cost as shown on the June, 1952 MF-104 Report, the recommended disallowances, adjustments for disposal of property in which the Government has an equity, and approved amounts are summarized as follows:

	June 1952	Corrected Distribution	Disallowances	Liquidation Settlement	Allowed by Audit
(1)Independent Contracts					
(2)Labor & Supervision					
Labor	$8,723.33	$8,723.33			$8,723.33
Supervision	478.66	478.66			478.66
(3)Operating Materials & Supplies					
Timber	296.11	296.11			296.11
Explosives	1,020.05	1,020.05			1,020.05
Pipe	81.43	244.29			244.29
Track		4.96			4.96
Miscellaneous	2,073.24	2,399.64	$220.97	$100.00	2,078.67
Power	1,081.19	1,081.19			1,081.19
(4)Operating Equipment					
Depreciation	391.83	391.83			391.83
(7)Miscellaneous					
Repairs to Equipment	1,023.49	529.27			529.27
Payroll Taxes	525.03	525.03			525.03
Miscellaneous	47.06	47.06			47.06
	$15,741.42	$15,741.42	$220.97	$100.00	$15,420.45

At the conclusion of the audit the findings were discussed with Mr. J. E. Dunn, Superintendent, Mr. R. J. Flynn, Assistant Superintendent, and Mr. C. M. Harrer, Mining Engineer, representing the Executive Officer, Region IV. There were no unused materials, supplies, or other property to be disposed of for the joint account of the operator and the Government other than that covered by waiver or liquidation.

December 18, 1953.

T. H. Brading, Auditor

DEFENSE MINERALS EXPLORATION ADMINISTRATION
CONTRACT ADMINISTRATION AND AUDIT DIVISION

AUDIT CERTIFICATE

I have examined the records and transactions of:

Callahan Zinc-Lead Company

White Pine, Colorado

pertaining to Exploration Project Contract No. E235, Docket DMA 1225X, for the period from January 23, 1952 to May 31, 1952.

My examination was made in accordance with generally accepted standards applicable in the circumstances.

The audit disclosed the following facts in regard to the amount to be paid the contractor:

Total Cost as Billed by Contractor			$14,194.93
Exceptions (See Audit Report for details):			
During this Audit		$75.84	
Prior to this Audit	$135.16		
Less amounts determined to be allowable	None	135.16	211.00
Total Accepted Cost			$13,983.93

The contract calls for a 50 percent participation of exploration expenses by the United States Government. Therefore, payment to the contractor by the Government in the amount of Six thousand nine hundred ninety one dollars and 97/100

— $6,991.97 —

is valid and proper.

This certificate is issued on the provision that the Regional Executive Officer, the Administrator, or other competent official has accepted or will accept the project as having otherwise met the terms of the contract.

July 23, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

[illegible]
Auditor, Region IV

Callahan Zinc-Lead Company
Exploration Project Contract No. E235
Docket No. DMA 1225X

I. INTRODUCTION

An audit was made from July 7 to July 11, 1952, of Defense Minerals Contract No. E235, Callahan Zinc-Lead Company. The general records pertaining to the contract are in the office of the company at White Pine, Colorado. The head office of Callahan Zinc-Lead Company is in New York City.

The audit covered the period from January 23, 1952 to May 31, 1952, of a contract that continues until October 11, 1952. Mr. J.W. Townsend, Mining Engineer, Mining Division Office, Denver, Colorado, rendered very capable assistance. Mr. J.E. Dunn, Superintendent, Mr. R. James Flynn, Assistant Superintendent, and Mr. Frank Micari, Accountant, were present and consulted when necessary.

II. EXTENT AND SCOPE OF AUDIT

1. Operating Equipment - Furnished by Operator

Allowances made for operating equipment furnished by the operator are in line with amendments to original contract. Charges as made were based on actual usage of equipment as covered in Monthly Narrative Report of Colorado Division Mining Engineer who inspected the project.

2. Labor

Productive labor is paid on a contract basis. Contracts are on a footage basis, and provide an incentive for increased production. Each miner prepares an individual time ticket daily. This ticket shows contract number, location, number of hours worked, and materials used. The shift boss or superintendent approves tickets daily, which are turned over to the engineering

department who group tickets by contract, enter total time of individual miners on contract calculation sheet every two week pay period. Engineer checks progress made on each contract, calculates total amount due for footage attained. This amount is divided by the total man hours for the period in order to determine rate per hour, which is noted on daily time ticket. Bookkeeper enters time tickets on monthly individual earnings record which shows all pertinent data regarding deductions, calculates pay due based on total hours times rates from daily time tickets, or at regular hourly rates. Sufficient check was made to determine that payments to men were in order. Charges under indirect labor costs were carefully scrutinized for items which would not be allowable under terms of contract. Supervision charges were found to be in line with terms of contract.

3. Supplies

All suppliers' invoices are vouchered and entered at net, i.e., total charge less discount. Charges to inventory records are at same basis. Stores are inventoried monthly and unit cost arrived at by dividing total dollar value by total units on hand, to determine average unit cost. This figure is used in determining costs for the subsequent month. Purchases of timber and explosives for the month of March 1952 were verified by examination of invoices, which were traced through voucher and check record. Charges to the project for the month of March were verified by checking tabulation of miners' daily material use reports, compiled from daily time cards.

4. Power

Power bills for months of June 1951 and March 1952 were examined and traced through voucher and check record. Cost of power is allocated on a basis which we were informed is based on a study made by power company engineers.

Costs as shown by the meter at Erie Mine are divided as follows:

Akron Mine	33-1/3%
Erie Mine	66-2/3%
	100%

It is the opinion of the division mining engineers who inspect the property that the division is fair and equitable.

5. Workmen's Compensation

Rates for workmen's compensation insurance were checked to State Insurance Department invoices for June 1951 and March 1952. Total charges to project for those two months were verified by multiplying total wages and salaries by applicable rate and checking proration as shown by schedule which was basis of preparing MF-104.

6. Social Security Taxes

Social Security taxes for June 1951 and March 1952 were verified by applying proper rate to total salaries and wages charged those months and checking schedule of proration as above. Social Security reports are filed by the New York office, hence it was not possible to examine these reports.

7. Boarding House Subsidy

Charges to this account are approved by the original contract. Test check disclosed that amounts allocated to the project appear to be in order.

III. FINDINGS

The records maintained by Callahan Zinc-Lead Company are in good condition and well maintained. Payroll records are somewhat involved due to the fact that productive men are paid on an incentive plan basis. They are complete, and supporting data is amply cross referenced. Cancelled checks are forwarded to the central office of the company in New York City, hence it was not possible to refer to them.

Expenses are prorated between three operations -- company operations at Akron and Erie Mines, exploratory operations on Akron Tunnel and Morning Star Mine, and exploratory operations at Erie Mine. The prorations are based on man hours or tonnage basis and are considered to be fair and equitable.

Exceptions have previously been taken by the DMEA Finance Officer for the following costs as claimed on May 1952 MF-104:

Pro rata amount of two mine cars charged to expense in error	$135.16	

Exceptions taken during examination are as follows:

Repairs and Maintenance of Employees Living Quarters - excluded by contract	75.84	
Total Disallowances		$211.00

No further exceptions are taken, the costs being reasonable, proper, and within the terms of the contract and amendments.

IV. RECOMMENDATIONS

The Audit Certificate prefacing this report reflects the amount of costs properly chargeable to the project through May 31, 1952.

Retain
ACK

TERMINATION OF EXPLORATION PROJECT CONTRACT BY AGREEMENT
AFTER COMMENCEMENT BUT BEFORE COMPLETION OF THE WORK

It is agreed this 18th day of March, 1953, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government", and Callahan Zinc-Lead Company, Inc., hereinafter called the "Operator", parties to that certain Exploration Project Contract Idm-E235, Docket DMEA 1225X, dated January 11, 1952, that the said contract shall be and is hereby terminated as of the first date above written.

Any work prosecuted or costs incurred by the Operator after the date first above written shall be for the sole account of the Operator, except for (a) such necessary and reasonable costs and expenses as may be incurred in preserving and disposing of any facilities, buildings, fixtures, equipment, or other items, to the cost of which the Government has contributed and in which the Government has an equity, and (b) the costs of any reports, accounts, and winding-up and settlement actions provided for in the contract.

The undersigned Operator hereby releases and agrees to save harmless the Government from all claims and demands under or arising out of said Exploration Project Contract, except as herein expressly otherwise provided.

Witness the following signatures as of the day and year first above written.

CALLAHAN ZINC-LEAD COMPANY

By R. F. Mahney
Vice President

UNITED STATES OF AMERICA

By W. H. King
W.H. King, Executive Officer
DMEA Field Team, Region IV

JUL 28 1952

GOVERNMENT COPY
No. 2

AMENDMENT OF CONTRACT: No. Idm-E235

Contract Docket No. DMA 1225X, dated January 11, 1952, between the United States of America and Callahan Zinc-Lead Company is hereby amended as follows; effective as of the date of said contract:

Referring to "EXHIBIT "A" attached to Exploration Project Contract Form MF-200, caption "Labor and Supervision", add the following:

2/ 1 Warehouseman at $11.84 per Shift
3/ 1 Superintendent at $690.30 per Month.

To footnote "3/" add the following:

All salaries are paid as a base salary plus a percentage of the base salary that changes with the cost of living index figures released by the Government. The noted salary rates were based on a cost of living index of 18%. The base salary rates are allowable maximum. However payment is allowable above or below the stated rates in proportion to the fluctuation of the cost of living index.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated July 28th, 1952

CALLAHAN ZINC-LEAD COMPANY

By [signature]
President

UNITED STATES OF AMERICA

By W. H. King
Executive Officer - DMEA

No. 1

AMENDMENT OF CONTRACT: No. Idm-E235

Contract Docket No. DMA 1225X, dated January 11, 1952, between the United States of America and Callahan Zinc-Lead Company, Incorporated, is hereby amended as follows, effective as of the date of said contract:

Referring to Exhibit "A" attached to Exploration Project Contract Form MF-200, under title "Operating Equipment:", subtitle "To be furnished by the operator for use on the project:" delete all material thereunder and in lieu thereof insert the following:

Unit	Value	Monthly Depreciation Rate
1 Air Locomotive	$1,400	$23.00
8 Mine Cars, 18 cu. ft.	2,000	34.00
1 Ventilation Fan, 10 HP	600	10.00
1 Air Hoist, 1 ton	800	13.00
2 Air Drills	1,700	28.00
1 Drill Column, Complete	50	1.00
1 Dodge Enclosed Truck	750	13.00
1 Air Pump	200	3.00

In the event any of the above units are operated for the benefit of both ore production and the Exploration Project, the allowable monthly depreciation shall be prorated between the operations on the basis of tons of material moved for the benefit of each operation.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may pay or the percentage of the costs which the Government may pay under the provisions of Article 13 of the contract form.

Dated April 4, 1952.

CALLAHAN ZINC LEAD COMPANY, INCORPORATED

By Joyce T. Hall
Pres.

UNITED STATES OF AMERICA

By
Executive Officer - DMA

MF-200
(June 1951)

Contract/Exp. & Audit Office

Docket No. DMA 1225X
Commodity Lead-Zinc

Idm-E235

DEFENSE MINERALS ADMINISTRATION
WASHINGTON, D. C.

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

JAN 10 10 32 AM '52

EXPLORATION PROJECT CONTRACT [1]

It is agreed this 11th day of January, 1952, between the United States of America, acting through the Department of the Interior, Defense Minerals Administration, hereinafter called the "Government," and [2] Callahan Zinc-Lead Company, Incorporated
100 Park Avenue
New York 17, N. Y.

hereinafter called the "Operator," as follows:

1. *Authority for contract.* This agreement is entered into under the authority of the Defense Production Act of 1950, pursuant to Mineral Order 5, entitled "Regulations Governing Government Aid in Defense Exploration Projects."

2. *Operator's property rights.* The exploration project shall be conducted on that certain property situated in the State of Colorado, County of Gunnison described as follows: [3] the following patented mining claims: Lelia Etta, MS 2511; Sedalia, MS 2512; Silver Bayonet, MS 1942; Nest Egg, MS 1555; Eureka, MS 1574 A. M., Lehigh, MS 7956. All of which are located in Section 35, T50N, R5E and Section 2, T49N, R5E, Tomichi Mining District.

with respect to which the Operator represents and undertakes: [4]

(*a*) That he is the sole owner, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the holder is attached:

(*b*) ~~That he is a lessee, in possession and entitled to possession, and that the property is subject only to the following claims, liens, or encumbrances as to each of which the subordination agreement of the lessor is attached:~~

3. *Exploration project.* The Operator, within Sixty (60) days from the date of this contract shall commence work on a project of exploration for [5] lead-zinc ores; shall prosecute the work efficiently, expertly, in a workmanlike manner, in accordance with good mining standards, with suitable and adequate equipment, materials, and labor, all properly designed to bring the project to completion within a period of [6] nine (9) months from the date of this contract. The exploration project and the work to be performed are more fully described on Exhibit "A" attached hereto, which, with any maps or drawings thereto attached, is made a part of this contract.

4. *Performance of the work.* The work shall be performed by the Operator, under his sole direction and control: *Provided,* That with the consent of the Government and its written approval of the contract or contracts, all or any part of the work may be performed by the Operator through contract or contracts with independent contractors. The Government shall have the right to enter and observe and inspect the work at all reasonable times, and the Operator shall provide the Government with all available means for doing so. The Government may consult with and advise the Operator on all phases of the work.

5. *Fixtures and improvements.* The Operator shall devote the land and all existing improvements, facilities, buildings, installations, and appurtenances to the purposes of the exploration project without any allowance for the use, rental value, depreciation, depletion, or other cost of acquiring, owning, or holding possession thereof. Any additional facilities, buildings, and fixtures, to be purchased, installed, or erected by the Operator, with the estimated cost of each, to which the Government will contribute currently its agreed pro rata share, are listed in Exhibit "A" attached hereto. The difference between the cost of such additional facilities, buildings, or fixtures, and the salvage value thereof at the conclusion of the work, shall be charged as a cost of the project to which the Government has contributed its pro rata share.

6. *Operating equipment.* Any operating equipment to be rented, purchased, or furnished by the Operator, with the allowable rental, purchase price, or depreciation, as the case may be, is listed under appropriate headings in Exhibit "A" attached hereto. As to equipment purchased for the project, the Government will contribute its agreed pro rata share of the cost thereof, and the difference between the cost and the salvage value at the conclusion of the work shall be charged as a cost of the project to which the Government has contributed its pro rata share.

[1] If sufficient space is not provided in any blank, use an extra sheet of paper and refer to it in the blank.
[2] State name, address, and nature of organization if any.
[3] Give legal description or enough to identify the property.
[4] Strike out the provision not applicable.
[5] Name of mineral.
[6] Not in excess of 2 years.

7. *Title to and disposition of property.* All facilities, buildings, fixtures, equipment or other items costing more than $50 each, paid for or purchased with funds contributed jointly by the Operator and the Government, shall belong to the Operator and the Government jointly, in proportion to their respective contributions, and upon the termination of the contract, if they have any salvage value, shall be disposed of for their joint account unless the Government, in writing, waives its interest in any such items. The Government may require the dismantling, severance from land, and removal of any such items in order to realize its interest in the salvage value thereof, and the cost of any such removal and of the disposal of the items shall be for the joint account of the parties in proportion to their respective interests.

8. *Labor and supervision.* An itemized schedule of labor, by numbers and classes (miners, muckers, millmen, etc.), and of supervisors, by numbers and positions, with the maximum wages or salaries that may be paid to each as an allowable cost of the project is set forth in Exhibit "A" attached hereto.

9. *Rehabilitation and repairs.* A statement of the cost of any necessary rehabilitation or repairs to put existing facilities, buildings, installations, and fixtures into useful and operable condition and which are to be allowed as costs of the project is included in Exhibit "A."

10. *Allowable costs of the project.* The costs of the project in which the Government will participate are limited to the necessary, reasonable, direct costs of performing the exploration work, including the costs of materials, supplies, engineering, power, water, analytical work, accounting, and utilities, including items of equipment costing less than $50 each; and the costs referred to in Articles 5, 6, 8, and 9, and the exhibits annexed to and referred to in this contract. Although the Government may pay part of the cost of new or additional facilities, structures, buildings, and equipment, only the depreciation on such items, computed as indicated in Articles 5 and 6, will be charged as a cost of the project. No items of general overhead, corporate management, interest, taxes, or any other indirect costs not expressly allowed by these provisions, or work performed or costs incurred before the date of this contract, shall be allowed as costs of the project in which the Government will participate.

11. *Accounts and audits.* The Operator shall keep suitable records and accounts of operations, which the Government may inspect and audit at any time. The Government may at any time require an audit of the Operator's records and accounts by a certified public accountant, the cost thereof to be treated as a cost of the project. The Operator shall keep and preserve said records and accounts for at least 3 years after the completion of the project or the termination of this contract.

12. *Progress reports.* The Operator shall provide the Government with monthly reports of work performed under the contract upon forms to be provided by the Government. Each monthly progress report shall bear the certification of the Operator and shall constitute the Operator's invoice of costs incurred on the project during the period covered by the report.

13. *Payment to the Operator.* The monthly progress report (invoice), to the extent approved by the Government, shall be processed for payment by the Government. Payment shall be made in the amount of 50 percent of the approved costs incurred; *Provided,* That the aggregate total of all sums paid by the Government under this agreement shall not exceed $15,305.00, which is 50 percent of the agreed estimated total cost of this project, $30,610.00.

14. *Final reports by Operator.* Upon completion of the project or termination of this contract, the Operator shall provide the Government with a comprehensive geologic and engineering report, including an estimate of ore reserves, to the best of his ability. Four copies of all reports shall be furnished to the Government.

15. *Repayment by Operator.* If, upon the completion of the exploration project or termination of the contract, the Government considers that a discovery or development has resulted from the work from which commercial production of ore may be made, the Government, within 6 months thereafter, shall so certify to the Operator, particularly describing and delimiting its estimate of the discovery or the development. Thereafter, if and as ore is produced as a result of such discovery or development, the Operator and his successor in interest shall be and become obligated to pay to the Government a percentage royalty on the net smelter returns or other net proceeds realized from such ore, concentrates, or metal produced within ten (10) years from the date of this contract, until the total amount contributed by the Government, without interest, is fully repaid or said 10 years have elapsed, whichever occurs first, as follows:

Of net smelter returns or other net proceeds not in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent.

Of net smelter returns or other net proceeds in excess of eight dollars ($8.00) per ton of ore: One and one-half (1½) percent, plus one-half (½) percent for each additional full fifty cents ($0.50) in excess of eight dollars ($8.00) per ton of ore, but not in excess of a maximum of five (5) percent.

This obligation to repay from net returns or proceeds shall be and remain a claim and lien upon the mineral deposit which is the subject of the exploration project and upon any production resulting from such discovery or development, in favor of the Government, until fully paid, or until said 10-year period has elapsed; and this claim and lien and the Government's right to repayment shall survive any termination of the contract, whether by completion of the exploration project or otherwise. This article is not to be construed as imposing any obligation on the Operator or his successor in interest to produce ore from any such discovery or development.

16. *No assignment of contract.* Without the written consent of the Government, the Operator shall not assign or otherwise transfer or hypothecate this contract or any rights thereunder.

17. *Termination and completion.* The Government may, at any time, by written notice to the Operator, terminate this contract: (*a*) If the Operator fails to provide his share of the money necessary to prosecute operations pursuant to the terms of the contract; (*b*) if the Operator, in the opinion of the Government, fails to prosecute operations pursuant to the terms of the contract; or (*c*) if in the opinion of the Government, operations up to the time of the notice have not indicated the probability of making any worthwhile discovery and in the opinion of the Government further operations are not justified. Upon the completion of the project or any termination of the contract the Operator shall render to the Government a full and final accounting of his operations under the contract and his expenditures of money; shall dispose of any unused materials, supplies, and equipment for the joint account of the Operator and the Government in the proportion of their respective interests; and shall pay to the Government its pro-rata share of any money remaining.

Executed in sextuplicate the day and year first above written.

Callahan Zinc-Lead Company, Incorporated
(Operator)

By Joseph D. Hall, Pres.

THE UNITED STATES OF AMERICA

By C. D. Mitteadorf

Acting Administrator
Defense Minerals Exploration
Administration

U. S. GOVERNMENT PRINTING OFFICE 16—64066-2

EXHIBIT "A"

Exploration Project:

The exploration work is to consist of an estimated 120 feet of inclined raise consisting of two 4' by 5' compartments and driven from the Erie 400-foot level to explore the unconformity between the Belden sediments and the Leadville limestone and, from the top of the raise, a standard 5' x 7' cross section drift is to be driven an estimated 750 feet south on mineralized beds to a point approximately 200 feet below the early Eureka workings. Proposed work to be done and location is shown on attached maps.

The estimated cost of the work is as follows:

120 feet of raising @ $40.00 per foot	$ 4,800.00
750 feet of drifting @ $33.20 per foot	24,900.00
Use allowance for equipment	910.00
Total for project	$30,610.00

Fixtures and Improvements:

No fixtures or improvements are required for this project and costs of this category are not allowable.

Operating Equipment:

To be purchased:

None

To be rented:

None

To be furnished by the operator for use on the project:

Unit	Value	Allowance Per Month	Allowance For Project
1 Air locomotive	$1400	$ 23.00	$ 161.00
8 Mine Cars, 18 cu. ft.	2000	34.00	238.00
2 Ventilators, Fans, 5 hp	900	15.00	105.00
1 Air hoist, 1-ton	800	13.00	91.00
2 Air drills	1700	28.00	196.00
1 Drill column, complete	50	1.00	7.00
1 Dodge enclosed truck	750	13.00	91.00
1 Air pump	200	3.00	21.00
Total	$ 7800	$ 130.00	$ 910.00

In event any of the above units are operated for the benefit of both ore production and the exploration project, the allowable monthly allowance shall be prorated on the basis of tons of material moved for each classification of work.

Labor and Supervision:

1/ 6 Miners @ $11.84 per shift
2/ 2 Trammers @ $11.84 per shift
2/ 2 Compressors operators @ $11.84 per shift
2/ 2 Shop men @ $13.76 per shift
2/ 2 Electrician @ $13.76 per shift
2/ 1 Waste dump laborer @ $13.36 per shift
3/ 1 Mine foreman @ $460.20 per month
3/ 1 Engineer @ $418.90 per month
3/ 1 Geologist @ $389.40 per month
3/ 1 Clerk @ $10.56 per shift

1/ The direct labor of miners will be done on the Butte unit system of contract computed by standard procedures used at this property.

2/ Labor performing services for both production of ore and this exploration project shall be an expense prorated on the basis of tons of material moved for each classification of work.

3/ Supervision, engineering and office services performed for both production of ore and this exploration project shall be an expense prorated on the basis of man shifts of labor performed on each classification of work.

Rehabilitation and Repairs:

No rehabilitation or repair of existing facilities is required for this project.

Miscellaneous Costs:

The actual expense of employee living quarters, boarding house subsidy, and mine office shall be an allowable cost prorated on the basis of man shifts worked on this project and man shifts worked on production and other projects.

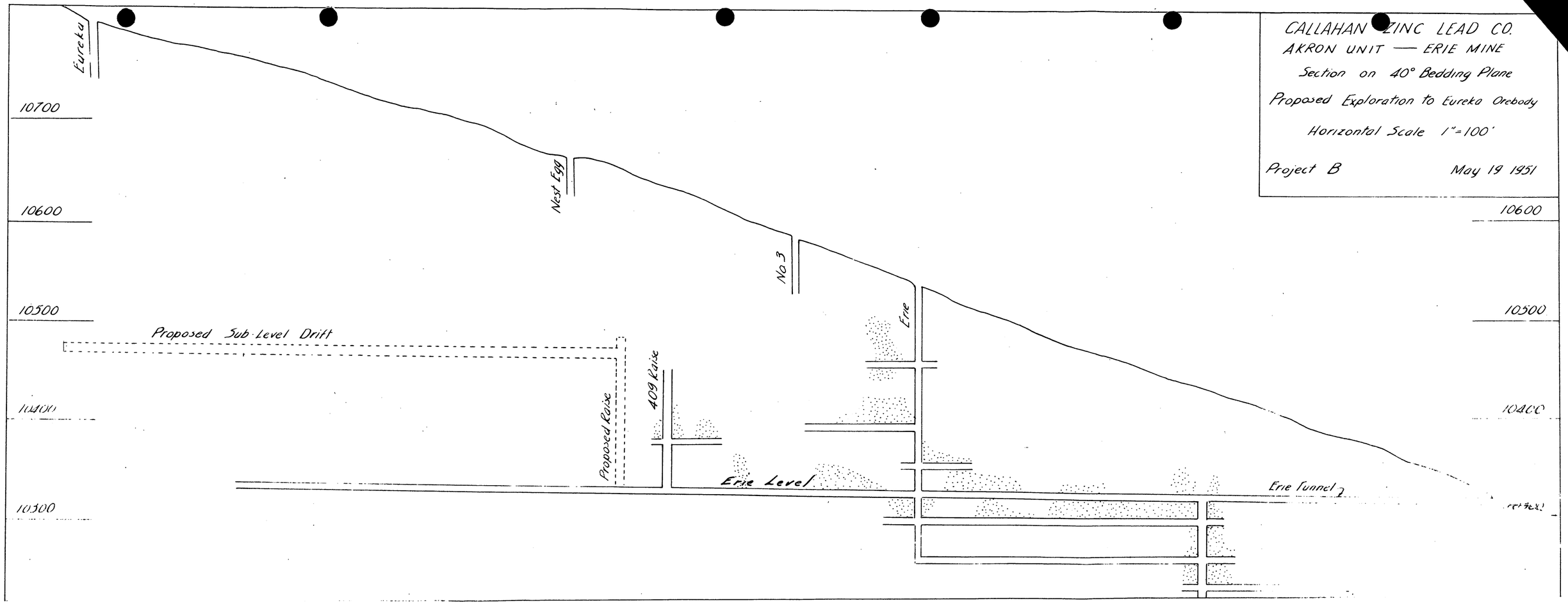
The expense of air, power, and shop, excluding labor, shall be an allowable cost prorated on the basis of tons of material moved from this project and from the remainder of the property using these facilities.

Estimated Total Cost of the Project:

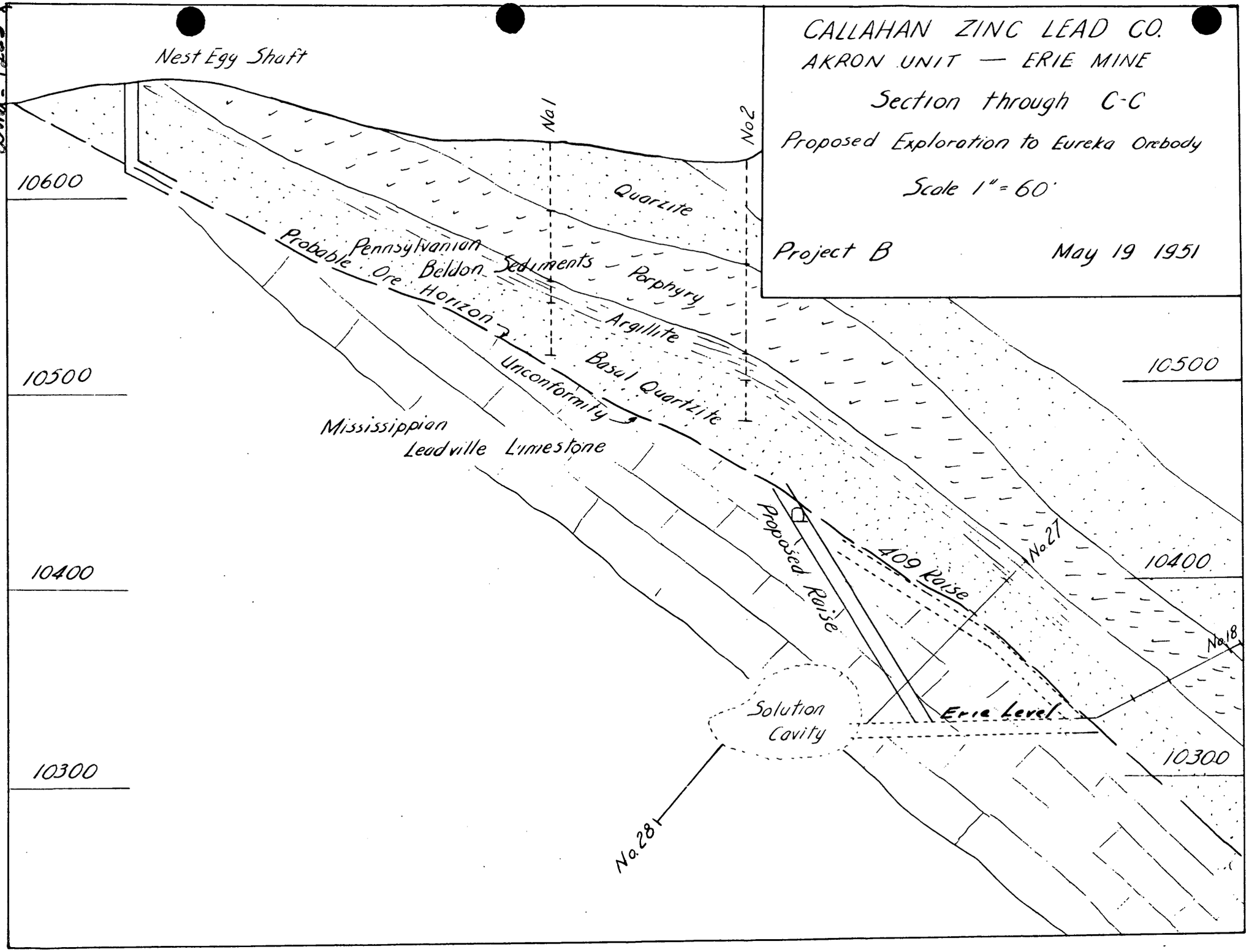
The costs of the project in which the Government will participate are limited to those stated in Article 10 of the contract form. The following estimate of costs is for the purpose of determining the maximum liability of the Government under Article 13 of the contract form.

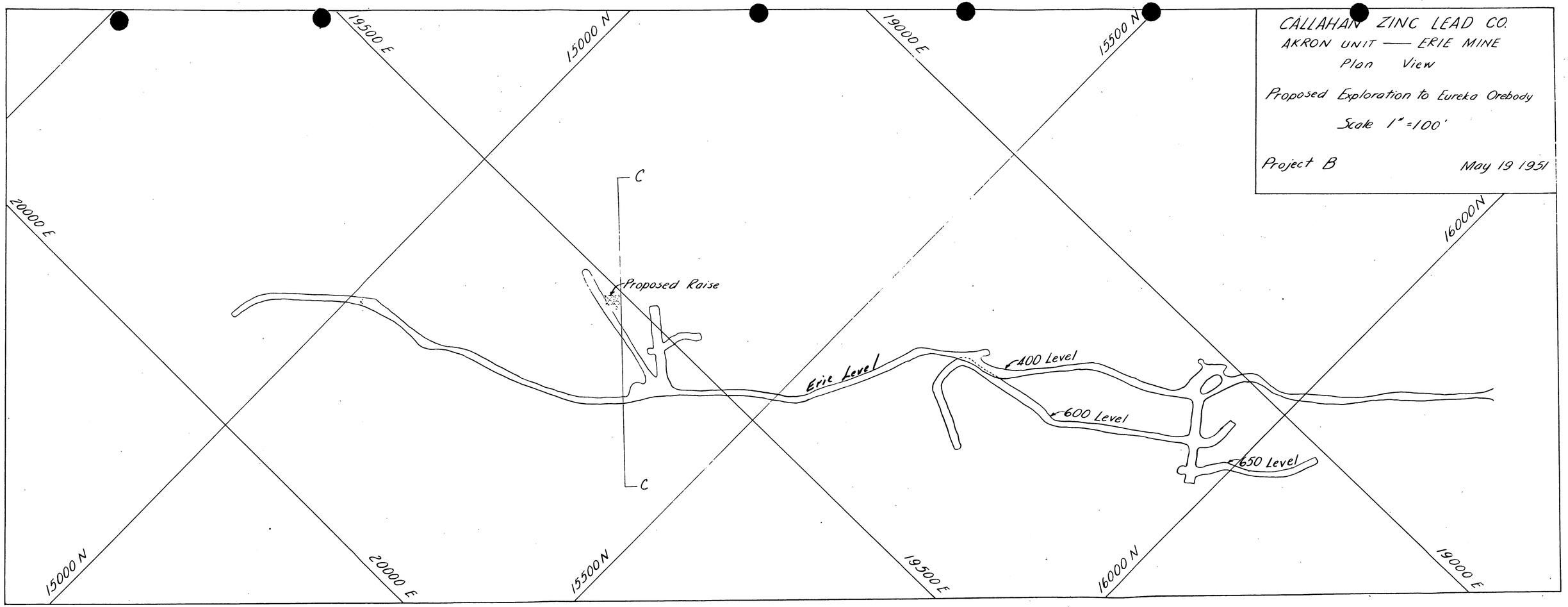
120 feet of raising @ $40.00 per foot	$ 4,800.00
750 feet of drifting @ $33.20 per foot	24,900.00
Use allowance for equipment	910.00
	$ 30,610.00

The estimated total costs set forth above include all labor, supervision, materials, supplies, tools, use allowance for equipment, incidentals, office expense, assaying, and engineering connected with the actual work of the exploration and reports required by the Government.


CALLAHAN ZINC LEAD CO.
AKRON UNIT — ERIE MINE
Section on 40° Bedding Plane
Proposed Exploration to Eureka Orebody
Horizontal Scale 1"=100'
Project B
May 19 1951
Eureka
Nest Egg
No 3
Erie
10700
10600
10500
10400
10300
Proposed Sub-Level Drift
Proposed Raise
409 Raise
Erie Level
Erie Tunnel

Dwg-1225X


CALLAHAN ZINC LEAD CO.
AKRON UNIT — ERIE MINE
Section through C-C
Proposed Exploration to Eureka Orebody
Scale 1" = 60'
Project B
May 19 1951
Nest Egg Shaft
No 1
No 2
10600
10500
10400
10300
Quarzite
Pennsylvanian
Beldon Sediments
Porphyry
Argillite
Probable Ore Horizon
Basal Quartzite
Unconformity
Mississippian
Leadville Limestone
Proposed Raise
409 Raise
No 27
No 18
Solution Cavity
Erie Level
No 28


CALLAHAN ZINC LEAD CO.
AKRON UNIT — ERIE MINE
Plan View
Proposed Exploration to Eureka Orebody
Scale 1" = 100'
Project B
May 19 1951
19500 E
15000 N
19000 E
15500 N
20000 E
16000 N
C
C
Proposed Raise
Erie Level
400 Level
600 Level
650 Level
15000 N
20000 E
15500 N
19500 E
16000 N
19000 E

Form MF-103
(April 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Budget Bureau No. 42-R1035.
Approval expires 6-30-51.

APPLICATION FOR AID FOR AN EXPLORATION PROJECT PURSUANT TO MINERAL ORDER 5, UNDER DEFENSE PRODUCTION ACT OF 1950

DO NOT FILL IN THIS BLOCK

Docket No. DMA-1225X

Date received 6/23/51

Participation

CALLAHAN ZINC-LEAD COMPANY, INC.
100 PARK AVENUE
NEW YORK 17, NEW YORK

Name and address of applicant

Erie Mine

Date May 22, 1951

FILL IN THIS BLOCK

Date of application May 22, 1951

Estimated cost $30,617

Mineral or metal Zinc-Lead

Percentage of Government participation 50%

Location of mine Section 35, Township 50 North Range 5 East, Tomichi Mining District, Gunnison County, Colorado

Date of filing MF-100

DMA Docket Number, if available DMA-1225X

INSTRUCTIONS

Read Mineral Order 5, Regulations Governing Government Aid in Defense Projects, before completing this application. Submit four signed copies of the application to Defense Minerals Administration, Department of the Interior, Washington 25, D. C., or to the nearest field executive officer thereof, with your name and address on each sheet of the application and all accompanying papers. If any question is inapplicable, or if you cannot answer it, so state on the form. Where the space provided for answer is insufficient, answer on a separate sheet, annex it to the application form, and refer to it in space for answer. If the application is approved, you will be presented with an exploration project contract on Form MF-200, for your signature.

THE APPLICANT

*1. Is applicant an individual, partnership, or corporation? 1-5 See MF-100
*2. If a partnership, state names and addresses of partners.
*3. If a corporation, state names and addresses of officers, directors, and five largest stockholders.
*4. Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who will manage the project.
*5. Are you the owner or the lessee of the property?
6. If owner, state what claims, liens, or encumbrances, if any, are against the property. 6-10 See attachment
7. If lessee, attach a copy of the lease and state if it is in good standing.

NOTE.—It will be necessary to procure and attach to the exploration project contract agreements of claimants, lienors, encumbrances and lessors subordinating their interests in the property to the interest of the Government under the contract.

8. Furnish current financial statement, showing assets and liabilities, and a profit and loss statement.
9. How much money is applicant prepared to invest in proposed project? Is it sufficient to pay your part of the cost of the project as detailed in question 23 of this application form, in accordance with the regulations on Government participation (Section 9 of Mineral Order 5)?

*If you have already answered these questions on MF-100, you are not required to answer the questions for this application.

16—64067-1

THE PROPERTY

10. (*a*) Give a description of the real property that will be in any way involved in the exploration project, including any existing mine or operating property.
    (*b*) Give the legal description of the exact parcel, plot, or area upon which the exploration is to be conducted.

    NOTE.—If both areas are the same, so state. The only obligation to repay the Government is from the net earnings from any commercial discovery made in the area specified in (*b*) above in which the exploration is to be conducted, and the expenditure of funds which may be charged as costs of the project must be limited to that area or to work necessary to perform the exploration in that area. See attachment

*11. State the present and former names of the property, if any.

*12. State, in detail, the location of the property with reference to towns, railroads, roads, shipping points, including distances and directions and kinds and conditions of roads. 11-13 See MF-100

*13. State source and quantity of water available for operations and its sufficiency at all seasons. State amount of power to be used, rate per hour or other cost, and source.

*14. Describe any existing useable facilities, equipment, buildings, or structure now on the property that will be devoted to the exploration work. 14-15 See attachment

15. State in detail how the ore could be shipped and how and where milled.

*16. History:
    (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for any past suspensions of operations.
    (*b*) State briefly the known history and production of adjoining and neighboring properties.
    (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

*17. Production: 16-19 See MF-100
    (*a*) If mine is in production, furnish the following information:

	Tons per day	*Grade or analysis*	*Cost per ton*	*Net value per ton*
(1) Mining				
(2) Milling				
(3) Shipped or sold				

*18. Ore or mineral reserves: (If property is or has been operating.)
    (*a*) Describe the ore or mineral deposits briefly.
    (*b*) Submit available maps and assay data.
    (*c*) Give estimated tonnage and grade of each class of ore reserves.

19. State any conditions or circumstances regarding the property not sufficiently brought out by the foregoing questions.

THE EXPLORATION

20. For what mineral or minerals and for what types of deposits and ores will the exploration be conducted? 20-24 See attachment

21. Describe briefly, but concisely, the proposed work and the estimated time required to complete it.

    NOTE.—The Government will not participate in a project that will require more than 2 years to complete.

22. Furnish statement of the geological basis of the project with particular emphasis on factors leading the operator to expect the finding of commercial ore bodies. This statement should be accompanied by supporting maps such as geological maps, maps of the proposed openings and assay maps, sample lists, and other pertinent data.

THE REQUIREMENTS AND COSTS

23. Tabulate in the form of an itemized statement with a sum for each item the estimated requirements and costs of the project so that the total will give the estimated cost of the project in which the Government will participate, as follows:
    (*a*) Labor, by numbers and classes (miners, muckers, millmen, etc.), with wages of each.
    (*b*) Supervisors, by numbers and positions, with salaries of each.
    (*c*) Cost of necessary repairs to existing facilities, structures, and buildings.
    (*d*) Cost of necessary installation or construction of additional facilities, structures, and buildings.
    (*e*) Cost of items of equipment, not now owned by the applicant which must be purchased for operations at a cost of $50 or more each.
    (*f*) Cost of rental for equipment which the operator proposes to rent.
    (*g*) Rental value of items of equipment which the operator now owns and which will be devoted to the work.
    (*h*) Cost of materials and supplies, including items of equipment costing less than $50 each.
    (*i*) Cost of power, water, utilities, and any other items not provided for above.

24. Furnish a time schedule of the project, stated in terms of months after project is approved, showing progress expected to be accomplished and the money expected to be spent.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

CALLAHAN ZINC-LEAD COMPANY, INC.
(Name of company)

By E G Sale
(Signature of authorized official)

5/22/51
(Date)

President
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

*Same as footnote on page 1.

16—64067-1 U. S. GOVERNMENT PRINTING OFFICE

CALLAHAN ZINC-LEAD COMPANY, INC.
100 PARK AVENUE
NEW YORK 17, NEW YORK

6. No claims, liens or encumbrances on the property.

7. The property is owned by this Company.

8. 1950 Annual Report attached.

9. The Applicant is prepared to invest its 50% of the cost of the project, or approximately $15,000. This is sufficient to pay the Applicant's part of the cost of the project.

10. (a) The Erie Mine is actively operating as a part of the Akron Unit. (See MF-100 Callahan Zinc-Lead Company, Akron Unit, Docket #_____) The entire Erie Mine Area is owned by Callahan Zinc-Lead Company.

Mining is now being conducted on the Silver Trowel Lode Claim Survey #1982, the Erie Lode Claim Survey #2070 and the Sunset Lode Claim Survey #1981. The claims are located in Section 35, T 50 N, R 5 E in the Tomichi Mining District, Gunnison County, Colorado.

(b) Exploration would be conducted on the following group of Lode Claims:

Lelia Etta	Survey No. 2511
Sedalia	Survey No. 2512
Silver Bayonet	Survey No. 1942
Nest Egg	Survey No. 1555
Eureka	Survey No. 1574 A.M.
Lehigh	Survey No. 7956

These claims are located in Section 35, T 50 N, R 5 E and Section 2, T 49 N, R 5 E, Tomichi Mining District, Gunnison County, Colorado.

14. The Erie Adit which would service exploration work is equipped with 2 - 440 cu. ft. (displacement) Compressors, adequate compressor housing, dry room, ore bins, etc. All buildings are in fairly good condition and are in use at present.

15. Ore would be moved by truck to the Akron Mill, a distance of 1½ miles.

20. Work in the Erie Mine has produced an ore that averages 8.0% Pb, 13.0% Zn and 3.5 oz. Ag. Upper early day work in the Erie Mine produced a lead-silver ore that was for the most part oxidized. This is also true of the early production from Nest Egg and Eureka Shafts. Present Erie ore is predominantly zinc. The proposed exploration is in the same horizon with regard to early work; therefore, the same type of ore can be expected as we are now mining in the Erie.

All mineralization is replacement of the original limestone. Past Experience indicates ore widths of from 2 to 6 ft.

21. Projected work consists of 120 ft. of incline raise (60 degrees) to intersect the mineralized zone 150 ft. on its dip above the Erie Adit Level. From this elevation a drift would be extended 750 ft. south exploring the mineralized beds

21. to a point approximately 200 ft. below early Eureka workings. Raise would consist of 2 compartments, each 4 x 5 ft. Other than division of chute and skipway very little timber would be required. Drifting would be a standard 5 x 7 cross-section with no timber supports. Actual work would be complete 7 mohths after approval.

22. The Eureka, Nest Egg & Erie ore zone lies on the unconformity between the Pennsylvanian Beldon Sediments and the Mississippian Leadville Limestones.

The ore is of the replacement type, the mineralizing solutions emanated from the cooling of the Princeton Monzonite intrusive, followed up the weakness in the sedimentary series, i.e. the unconformity. They have in part replaced the upper portion of the Leadville limestone, and in part the basal quartzite of the Beldon.

The surface ore was principally a silver-bearing lead carbonate with some lead sulphate. The deeper workings, as in the Erie Mine itself, shows the ore to be principally sphalerite, argentiferrous galena and a little chalcopyrite. The innumerable surface workings from the Erie tunnel to the Eureka shaft indicates 40 degrees NE. It is mineralized for at least 2500 ft. along its strike on the surface. In the erie Mine the known mineralization along the dip is at least 330 ft.

The Erie production from 1943 to April, 1951 under Callahan Zinc-Lead Company has been 17,199 tons. The recoverable metal from the tonnage was as follows: 54,803 oz. Ag, 2,244,521 lbs. Pb, 3,616,108 lbs. Zn and 160,992 lbs. Cu.

Crawford from the Colorado Geological Survey, Bulletin #4, gives a $92,904 Mint report as the production of the Eureka and Eureka-Nest Egg Mines for the years 1887, 1888, 1891. The earlier workings of both the Eureka and Nest Egg were stopped on the transition zone of the oxide to the sulphide ore.

Our present project is in a zone below the Nest Egg-Eureka work that is geologically identical to that being mined at present below Erie surface work. As the area is larger than that mined in the Erie, it is reasonable to expect at least 20,000 tons of ore.

23. (a) <u>Labor (Direct) 120 ft. Raise, 2 Stations & 750 ft. Drift</u>

4 Miners Contract 1.48	$ 9,500.00	
Tram @ 32¢ ton - 4,000 tons	1,280.00	
Surface @ 22¢	880.00	$ 11,660.00

(b) Supervision @ $380.00 @ 50% — [illegible] 1,330.00

(c) None

(d) None

CALLAHAN ZINC-LEAD COMPANY, INC.
100 PARK AVENUE
NEW YORK 17, NEW YORK

23. (e) None

(f) None

(g) Equipment

		Rental Month		Value
1	Locomotive	$300.00 @ .666	$1,400.00	2400
2	16 cu.ft. Mine Cars	10.00	140.00	2000.
6 8	18" " " " "	10.00 @ .666	281.00	
~~1,100 ft.~~	~~Power Cable~~	~~40.00~~	~~280.00~~	
2	5 HP Fans	10.00	140.00	900
1	1 Ton Hoist	50.00	350.00	800
2	Rock Drills	65.00	910.00	1700
1	Column Arm and Clamp	7.00	49.00	500
1	Dodge Ambulance	80.00	560.00	7 $4,110.00
1	Air Pump			200

(h)	Explosives - 5 tons	1,790.00	
	Rail - 3 tons 12-lb.	565.00	
	Timber - 5,000 bd. ft.	373.00	
	Pipe, 2" - 850 ft.	306.00	
	Pipe, 1" - 850 ft.	147.00	
	Caps - 4,000	72.00	
	Fuse - 36,000 ft.	415.00	
	Steel & Bits	2,500.00	
	Miscellaneous	1,000.00	7,168.00
(i)	Air & Power @ $300.00 month	2,100.00	
	Shop	1,168.00	
	Engineering @ $50.00 "	350.00	
	Waste Dump (~~Tractor~~) @ $100.00 month	700.00	
	Mine Lamps	36.00	
	Camp	770.00	
	General Supervision & Accounting	1,225.00	6,349.00
	Total Cost		$30,617.00

24. Work could be started two months after approval of the project and completed seven months after approval.

Progress will be at rate of approximately 125 feet per month.

Expenditure of funds will be at a rate of approximately $4,400.00 per month.

23. (a) None

(b) None

(c) Equipment

		Rented Month		
1	Locomotive	$300.00 @ .666	$1,400.00	
2	16 cu.ft. Mine Cars	10.00	140.00	
6	" " " "	10.00 @ .666	281.00	
1,100 ft. Power Cable		40.00	280.00	
2	5 HP Fans	10.00	140.00	
1	1 Ton Hoist	50.00	350.00	
2	Rock Drills	65.00	910.00	
1	Column Arm and Clamp	7.00	49.00	
1	Dodge Ambulance	80.00	560.00	$ 4,110.00

(d)	Explosives - 5 tons	1,790.00
	Rail - 3 tons 12-lb.	565.00
	Timber - 5,000 bd. ft.	373.00
	Pipe, 2" - 850 ft.	306.00
	Pipe, 1" - 850 ft.	147.00
	Cups - 4,000	72.00
	Fuse - 36,000 ft.	415.00
	Steel & Bits	2,500.00
	Miscellaneous	1,000.00
		7,168.00

(f)	Air & Power @ $300.00 month	2,100.00
	Shop	1,163.00
	Engineering @ $80.00 "	350.00
	Waste Dump (Tractor) @ $100.00 month	700.00
	Mine Camps	36.00
	Camp	770.00
	General Supervision & Accounting	1,225.00
		6,349.00

Total Cost $30,617.00

24. Work could be started two months after approval of the project and completed seven months after approval.

Progress will be at rate of approximately 125 feet per month.

Expenditures of funds will be at a rate of approximately $4,400.00 per month.

CALLAHAN ZINC-LEAD COMPANY

Statement of Profit and Loss for the year ended December 31, 1950

Gross sales, including concentrates delivered in January 1951		$447,286.73
Transportation and smelter charges		133,076.67
		$314,210.06
Profit on sale of stock of subsidiary		285,492.55
Miscellaneous income		9,532.06
		$609,234.67
Operating expenses	$263,608.81	
General and administrative expenses and taxes (other than those included in operating and other expenses)	82,085.33	
Property examination and maintenance	40,883.68	386,577.82
		$222,656.85
Depletion and amortization of development costs	$ 5,201.47	
Depreciation	34,495.81	39,697.28
Profit for year 1950 including profit on sale of stock of subsidiary		$182,959.57

NOTES

1. It is now believed that the productive life of the Akron property will be longer than previously estimated. Rates of amortization, depreciation and depletion, regularly based on such estimated productive life, have been revised accordingly.

2. Profit on sale of stock of subsidiary, $285,492.55, represents the excess of proceeds on sales of Vulcan Silver-Lead Corporation stock over the written-down basis for such stock referred to in note 1 to the Balance Sheet.

3. The nature of the Company's operations for the period makes inappropriate the use of the above Statement of Profit and Loss in whole or in part for purpose of comparison with prior years or as an indication of possible future results.

4. No provision has been made for Federal income or excess profits taxes for the year 1950 as it does not appear that any such taxes will be payable.

CALLAHAN ZINC-LEAD COMPANY

Assets

Cash			$ 345,288.35
U. S. Government securities—cost and accrued interest			101,101.07
Current accounts receivable			33,593.70
Inventory of concentrates at net contract settlement value			11,926.12
Materials and supplies at cost			47,918.09
Securities of and advances to subsidiary companies:			
Vulcan Silver-Lead Corporation 63% owned (942,261 shares)		$ 93,575.34	
Vulcan Extension, Inc. 94% owned (3,750,000 shares)		73,389.14	
Livengood Placers, Inc. 74% owned (See note 1)		583,068.32	
		$750,032.80	
Advances less reserve		58,076.89	808,109.69
Property, plant and equipment:			
Akron unit—at cost	$487,626.61		
Less: Depreciation, depletion and amortization	411,255.99	$ 76,370.62	
Miscellaneous equipment—at cost	$ 8,231.38		
Less: Depreciation	2,431.47	5,799.91	82,170.53
Prepaid expenses and other assets			61,423.60
			$1,491,531.15

NOTES

1. The foregoing is a statement of the accounts of Callahan Zinc-Lead Company as a separate company in which its ownership of three subsidiaries, Vulcan Silver-Lead Corporation, Vulcan Extension, Inc., and Livengood Placers, Inc., is reflected on the bases described below. The statement is not intended as a representation of actual present values or prospective future values of the assets.

Securities of Vulcan Silver-Lead Corporation (common stock) and Vulcan Extension, Inc. (common stock), received in exchange for mining property, are stated at the respective proportions of the written-down amount at which the exchanged property was being carried, with any subsequent additions at cost. Securities of Livengood Placers, Inc. (73,951 shares common stock and $100,000 par value of debentures) are stated at cost. No interest has ever been paid on the Livengood debentures which are now past due, the principal having been payable in 1949. A full reserve has been provided against interest accrued on the debentures.

BALANCE SHEET, DECEMBER 31, 1950

Liabilities

Current accounts payable		$ 39,412.32
Accrued taxes and other current liabilities		22,611.84
Capital stock:		
Authorized 2,000,000 shares, par value $1.00 per share		
Outstanding 1,802,409 shares		1,802,409.00
Operating deficit from May 25, 1934:		
Balance, December 31, 1949	$555,861.58*	
Profit for year 1950	182,959.57	372,902.01*
		$1,491,531.15

* Indicates deficit.

Financial statements of Vulcan Silver-Lead Corporation are appended.

Vulcan Extension, Inc. received income amounting to $156.00 which was $4,277.59 less than expenses during 1950. Vulcan Extension, Inc. in 1950 sold to the public 250,000 shares of its previously unissued capital stock for $75,000. Callahan Zinc-Lead Company continues to hold 3,750,000 shares which is 93.75% of the total shares now outstanding.

Livengood Placers, Inc. did not have any income during 1950 and its expenses amounted to $11,602.32. For information concerning terms of agreements with Reconstruction Finance Corporation, including terms of $150,000 guarantee by Callahan Zinc-Lead Company, reference should be made to "Major Provisions of Agreements of December 1949 between Livengood Placers, Inc., Callahan Zinc-Lead Company and Reconstruction Finance Corporation" on page 14.

2. Other than as referred to above, there are no known contingent liabilities except commitments incurred in the ordinary course of business.

VULCAN SILVER-LEAD CORPORATION

BALANCE SHEET, DECEMBER 31, 1950

(Including Summary of Income and Expenses for the Year Then Ended)

Assets

Cash			$ 630.44
Vulcan mine property:			
Par value of shares issued to acquire property		$1,500,000.00	
Cost of assessment work and surface rights		4,344.84	1,504,344.84
			$1,504,975.28

Liabilities

Taxes payable			$ 189.96
Account payable—Callahan Zinc-Lead Company			5,786.32
Capital stock:			
Authorized 3,000,000 shares, par value $1.00 per share			
Outstanding 1,500,000 shares			1,500,000.00
Surplus:			
Balance, December 31, 1949		$ 1,981.22	
Loss for year 1950:			
Income from royalties	$5,838.71		
Expenses	8,820.93	2,982.22	
Deficit, December 31, 1950			1,001.00*
			$1,504,975.28

* Indicates deficit.

NOTE

On January 15, 1947 Vulcan Silver-Lead Corporation leased its properties to American Smelting and Refining Company for a term of 30 years with option to them to continue for another 30 years. The lease provides that American Smelting and Refining Company will do certain exploration and development work at its expense. Until such time as ore is produced at the property, the lessee shall pay to Vulcan Silver-Lead Corporation an advance royalty of $500 a month which is recoverable by the lessee out of future earned royalties. After production of ore is started, Vulcan Silver-Lead Corporation will receive a royalty of 10% (subject to reduction for unrecovered advance royalties which at December 31, 1950 amounted to $25,360.76) on net returns until the lessee shall have recovered its capital investment in the venture and a working capital fund of $500,000 shall have been established. Thereafter, Vulcan Silver-Lead Corporation will be entitled to 50% of any profits.

Form MF-100
(March 1951)

U. S. DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Form approved.
Budget Bureau No. 42-R1026.

Mrs Specker

GENERAL TECHNICAL DATA
FOR USE UNDER THE
DEFENSE PRODUCTION ACT OF 1950

NOT TO BE FILLED IN BY APPLICANT

Docket No. DMA 1225X

Date received DMA 0049

13610

Callahan Zinc-Lead Company
Akron Unit
Whitepine, Colorado

Name and address of applicant

Date May 22, 1951

INSTRUCTIONS

This form is to be filed with Defense Minerals Administration, Department of the Interior, Washington 25, D. C. It should be accompanied by appropriate application form when a specific type of Government assistance is requested, in the form of (1) loan, (2) purchase contract, (3) Government guarantee of a private loan, (4) ~~Necessity Certificate pursuant to the provisions of Sec. 124 A (Amortization Deduction) of Internal Revenue Code, 1950~~ (5) priorities or allocation of mining equipment, and maintenance, repair and operating supplies, and (6) other forms of Government assistance that might arise under the Act. Submit four (4) signed copies of the form and accompanying papers. Name and address should be stamped or typed on each sheet of this form and all accompanying papers. *When a question is inapplicable it should be so stated on the form.* Additional sheets may be attached in answering any questions or in supplying additional information. (IF YOU CANNOT ANSWER A QUESTION, SO STATE.) If a question is answered elsewhere indicate where answered. It is not necessary to answer it again.

X
5

GENERAL TECHNICAL DATA

Supply the following information on separate sheets, arranged, numbered, and lettered as indicated:

1. Materials produced:
   (*a*) What are the chief mine, mill, or smelter products?
   (*b*) What are the byproducts, if any?
2. Name(s) and type(s) of mine(s), mill(s), smelter(s), refinery(ies), pit(s), quarry (ies), drilling operation(s). Include old names of property, if any. Show extent of workings, including the following:
   (*a*) Linear feet of shafts.
   (*b*) Linear feet of drifts and crosscuts.
   (*c*) Linear feet of tunnels or adits.
   (*d*) Linear feet of other mine openings (explain briefly).

   Indicate whether mine is flooded or not. Describe any pumping problems. Give size or productive capacity.
3. For each operation listed above supply the following:
   (*a*) Distance and direction from nearest town and shipping point.
   (*b*) Mining district.
   (*c*) Township, Section, Range.
   (*d*) County, State.
4. (*a*) State whether or not property is now in operation, and if in operation, by whom operated.
   (*b*) Are you operating this property as:
   - ☐ Owner.
   - ☐ Lessee.
   - ☐ Contractor.
5. Number of years in production _____

   If not in production or operation, estimated date when production will begin _____
6. Experience of operators:

   Describe the mining and general business experience of (*a*) the applicant, and (*b*) the person or persons who manage the project.
7. History:
   (*a*) Give a statement, as complete as possible, of previous exploration, development, operation, and production of property, with reasons for suspension of operation.
   (*b*) State briefly the known history and production of adjoining and neighboring properties.
   (*c*) Furnish any available (private) reports that may apply to this application, including results of mine examinations, recommended exploration and development, and metallurgical investigations.

8. Names and addresses of Officers, Directors, or Partners, and in addition thereto, the five largest stockholders if applicant is a corporation.

Name and Address (a)	Official Title (If officer is also director indicate by "D") (b)	Total of Annual Salary, Commissions, Bonuses, Etc., Received From Applicant and Affiliates During Last Fiscal Year (c)	Estimated Net Worth Outside of Interest in Applicant (d)	Number of Shares Held in Applicant Corporation: Common (e)	Number of Shares Held in Applicant Corporation: Preferred (f)	Life Insurance Carried for Benefit of Applicant: Amount (g)	Life Insurance Carried for Benefit of Applicant: Net Cash Surrender Value After Loans (h)
J. T. Hall	Pres. & D.						
R. F. Mahoney	V. Pres. & D.						
H. J. Hood	V. Pres. & D.						
E. A. Salo	Treas. & D.						
A. Ogden	Secretary						
J. B. Beaty	D						
W. J. Ryan	D						
	Total	67,280.76	x x x x x			x x x x x	x x x x x

If more lines are needed continue on separate sheet.

9. Capital Stock Issues: **The five largest stockholders of record are brokerage houses.**

For Corporate Applicants

Item	Authorized (a)	Outstanding (b)	Par Value (c)	Number of Shares Outstanding (d)	Dividend Rate Last Paid* (e)
Common stock	$2,000,000	$1,802,409	$1	1,802,409	None in over 25 years
Preferred stock	$	$	$		

*Indicate period covered.

10. Production:

Item	Kind of Product (a)	1948 Total (b)	1949 Total (c)	1950 Total (d)	Present Average Monthly (e)
1. Quantity of product mined or quarried (Short, long, metric tons; barrels; pounds; etc.)	Short Tons Ore	18,158	14,676	12,342	1,800
2. Quantity of product processed (specify unit of measure and type of process)	Short Tons Ore	18,158	14,676	12,342	1,800
3. Quantity and grade of product sold or shipped (specify units of measure)	Short Tons-Lead Con.	2,511	1,746	869	85
	Short Tons-Zinc Con.	4,379	3,181	2,138	200

11. Do you contemplate a change in the present average monthly rate of production? If so, state estimated maximum monthly production and basis of change.

12. Ore or Mineral Reserves:

(a) Describe the ore or mineral deposit briefly. Accompany the application by a available report on the geology and ore reserves.

CALLAHAN ZINC-LEAD COMPANY, AKRON UNIT
WHITEPINE, GUNNISON COUNTY, COLORADO

FORM MF-100

1. (a) The Akron Unit flotation plant is supplied with crude ore by the Akron and Erie Mines and produces two products - Lead Concentrate assaying 70% Pb, 6% Zn and containing an average of 60 oz. of silver per ton; Zinc Concentrate assaying 51% Zn, 4% Pb and 10 oz. silver per ton.
   (b) Other than minor amounts of copper, cadmium and gold contained in concentrates nothing else is produced.

2. The Akron and Erie Mines are both underground metal mines.

   The Akron Mill, a modern 80 to 100 ton flotation plant constructed in 1947, is located at the portal of the Akron tunnel. Ore from the Erie Mine is trucked to the Akron plant a distance of $1\frac{1}{2}$ miles.

   (a) 100 ft. Underground Winze (Shaft).
   (b) 5,900 ft. Drifts and Crosscuts.
   (c) 6,980 ft. Adit.
   (d) 2,350 ft. of Working Raises.

   The above figures are total of open, usable, working openings. Caved old work totals will surpass that of open ground.

   To date there are no pumping problems at Akron.

   The productive capacity might reach 100 tons daily after completion of present exploration program. This figure represents the maximum.

3. (a) Salida, Colorado is 43 miles east of the Akron Mine via 9 miles of improved county road and 34 miles along highway U.S. 50. All zinc concentrates are shipped from Salida via Denver and Rio Grande Western Railroad to Amarillo, Texas. Lead concentrates are trucked direct to American Smelting and Refining Company's smelter at Leadville, Colorado.

   (b) Tomichi Mining District.

   (c) T. 50N; R 5E; Sections 34 and 35.

   (d) Gunnison County, Colorado.

4. (a) The Akron Mine is an active operating unit of Callahan Zinc-Lead Company, Inc.

   (b) The principal part is owned outright with one adjoining property held on a lease option agreement.

5. Mining operations started in 1873 with intermittent producing periods until 1942. The present operation has been continuous since 1942.

6. Callahan Zinc-Lead Company has operated numerous properties during the past 40 years in Arizona, Colorado, Idaho, Nevada, New Mexico and Alaska.

   The present operating personnel at Akron Unit have carried on successful mine operations at other points and have conducted the Akron Unit since 1946.

[illegible] GOLD-[illegible] COMPANY, AKRON UNIT
[illegible], [illegible], [illegible], MEXICO

FORM M-100

1. (a) The Akron gold flotation plant is supplied with crude ore by the Akron and Iris Mines and produces two products - lead concentrate assaying 70% Pb, 0% Zn and containing an average of 80 oz. of silver per ton; Zinc Concentrate assaying 51% Zn, [illegible]% and 10 oz. silver per ton.
(b) Other plant minor amounts of copper, cadmium and gold concentrates in concentrates nodding also is produced.

2. The Akron and Iris Mines are both underground metal mines.

The Akron Mill, a modern 50 to 100 ton flotation plant constructed in 1947, is located at the portal of the Akron Mine. Ore from the Iris Mine is trucked to the Akron plant a distance of 1½ miles.

(a) 100 ft. Underground Mines (Shafts).
(b) 5,000 ft. Drifts and crosscuts.
(c) 6,500 ft. Adits.
(d) 2,500 ft. of Working Stages.

The above figures are based on open, stable, working openings. Caved old work totals will surpass that of open ground.

To date there are no mapping problems at Akron.

The productive capacity might reach 100 tons daily after completion of present exploration program. This figure represents the maximum.

3. (a) Salida, Colorado is 50 miles east of the Akron Mine, via 2 miles of improved county road and 48 miles along Highway U.S. 50. All mine concentrates are shipped from Salida via Denver and the Denver Western Railroad to Smelting. Some concentrates are trucked direct to American Smelting and Refining Company's smelter at Leadville, Colorado.

(b) Twelve Mining District.

(c) T. 14N; R 8E; Sections 34 and 35.

(d) Gunnison County, Colorado.

4. (a) The Akron Mine is an active operating unit of Gallman Zinc-Lead Company, Inc.

(b) The principal part is owned outright with one mortgaging property held on a lease option agreement.

5. Mining operations started in 1872 with intermittent producing periods until 1952. The present operation has been continuous since 1952.

6. Gallman Zinc-Lead Company has acquired numerous properties during the past 40 years in Arizona, Colorado, Idaho, Nevada, New Mexico and Alaska.

The present mining personnel at Akron Unit have carried on successful mine operations at other points and have reopened the Akron Unit since 1952.

CALLAHAN ZINC-LEAD COMPANY, AKRON UNIT
WHITEPINE, GUNNISON COUNTY, COLORADO

FORM MF-100

7. History:

(a) The Tomichi mining district was discovered in the early 70's. Early work was almost entirely in the oxide zone in ore that was high in lead and silver but contained only negligible quantities of zinc.

This ore was mined through numerous small shafts, the deepest of which was about 200 ft. Nearly all of this work is caved at the present time.

The early day work was followed by a period of inactivity from sometime in the 1890's until about 1910, when the Akron low level tunnel was started. The property was semi-consolidated by James E. Dick and associates and produced steadily from about 1915 until 1930.

Aside from scattered lease work the area was devoid of activity until 1942.

Callahan Zinc-Lead Company obtained the property in 1938 and started small scale production in 1942. This continued until 1946 when the operation was expanded to its present proportion.

During 1946 and 1947 ore was shipped to American Smelting and Refining Company's custom mill at Leadville, Colorado. Construction of a treatment plant was started and completed during 1947. This plant was started on January 1, 1948 and since that time has been in continuous operation on ore from the Akron and Erie Mines.

Early day production was considerable. Colorado Geological Survey records give the May Mazeppa Mine's production as about $ 1,000,000.00 for 1889, 1890 and 1891. The combined production of the Victor and Morning Star Mines must have been nearly equal to that figure. Gross production from Callahan Zinc-Lead Co. and James E. Dick records indicate a sum in excess of $ 3,000,000.00. This totals $ 5,000,000.00 and does not include early production from Erie, Nest Egg and Eureka Mines or anything from oxide ores on the North Star Group. We have no record of this production but it was probably in excess of $ 2,000,000.00 as work was extensive and ore was high-grade.

(b) The Tomichi Mining District is joined on the east by the Monarch Mining District and on the west by the Quartz Creek and Tin Cup Districts.

All of these had substantial early production. The Monarch District had one large mine, the Madonna, which reputedly has a production total of about $ 15,000,000.00.

(c) The 1946 expansion program was recommended by Dr. P. J. Shenon. This was the result of an examination in June, 1946. This report is available but is at present in possession of the U.S. Bureau of Mines at Denver, Colorado as it accompanied application for D.M.A. Mine Loan (Docket No. DMA 110). This exploration loan has been granted after examination by U.S. Bureau of Mines and U. S. Geological Survey.

[illegible]

[illegible]

[illegible]

1. History:

(a) The Coeur d'Alene mining district was discovered in the early 70's. Early work was almost entirely in the Wallace area in our time was high in lead and silver but contained only negligible quantities of zinc.

This ore was mined through numerous small shafts, the deepest of which was about 200 ft. Nearly all of this work is owned at the present time.

The early day work was followed by a period of inactivity from somewhere in the 1870's until about 1910, when the Bunker Hill Tunnel was started. The property was consolidated by Jesse B. Ihlen and associates and produced actively from about 1915 until 1920.

Aside from sporadic large work the area was developed of activity until 1942.

Calumet Blind-lead Company obtained the property in 1942 and started small scale production in 1943. This continued until 1945 when the operation was expanded to its present proportions.

During 1943 and 1944 the Bunker Hill Company and Federal Mining Company is operation mill at Kellogg, Idaho. Construction of a treatment plant was started and completed during 1944. This plant was started on January 1, 1945 and since that time has been in continuous operation, as has the Bunker Hill Mine.

Early day production was considerable. Colorado Geological Survey records give the Bunker Hill's production as about 1,000,000,000 for 1915, 1920 and 1921. The combined production of the Ibeck and Jordan, Star Mine have been nearly equal to that figure. Gross production from Calumet Blind-lead Co. and Jesse B. Ihlen records indicate a sum in excess of 1,000,000,000. This totals a 3,000,000,000 and does not include early production from Pyle, Tony Ryan and Ingle's Tunnel or exploring from Pyle's cross on the North Star group. We have no record of this production but it was probably in excess of 3,000,000,000 [illegible] Mines exhausted, and are now high-grade.

(b) The Tomlinson Fault, or strike is joined on the east by the Moonshine Fault, [illegible] and on the west by the Granite Creek and the Gem Fault.

All of these had substantial early production. The Tomlinson Fault was large mine, the Bunker, which reportedly has a production value of about 3 1/2,000,000,000.

(c) The 1952 exploration program was [illegible] by [illegible]. Mr. [illegible] was the result of an examination by [illegible], 1952. This report is available but is at present in possession of the [illegible] Bureau of Mines, Tuscaloosa as it accompanies application for U.S.A. Bureau Project (Project No. [illegible]). This application has been granted after consideration by U.S. Bureau of Mines and U. S. Geological Survey.

CALLAHAN ZINC-LEAD COMPANY, AKRON UNIT
WHITEPINE, GUNNISON COUNTY, COLORADO

FORM MF-100

11. The present average production (1800 tons monthly) represents a substantial increase over the 1025 ton average for 1950. We expect to bring this up to 2000 tons per month after completion of present exploration work.

12. (a) Ore bodies at Akron are generally replacement and of the same origin. They occur in three distinct forms:

1. Erie Nest Egg Mines

This ore comes in replaced limestone beds. They are relatively narrow - 2 to 6 ft. The strike is N.W. and dip about 30 degrees to the N.E.

Ore occurrence is partially controlled by cross-fracturing. The wall rock and ore are both extremely hard and walls require no support.

Average mine grade has been 15% Zn, 6% Pb and 4.5 oz. Ag per ton. Gold content is negligible.

2. Lost Contact Ore Bodies (Akron Mine)

This ore occurs in lenses parallel to and in a major N S striking fault zone.

These are also replacement of the original limestone but are not always in conformity with the original bedding. Largest lenses to date have been adjacent to a rhyolite porphyry dike that has been subjected to a great deal of movement. Average dip is 60 degrees to the east. Ground conditions are bad and requires heavy timber. Ore widths vary greatly with one lens having a width of 60 ft. Average ore widths have been about 10 ft.

3. Lost Contact Footwall Ore Bodies

This ore is also replacement and is along bedding plane faults in the footwall of the Fault Zone. Strike is parallel to that of the fault. The structure dips to the east about 35 degrees. The ground is easily mined and does not require nearly as much timber as work closer to the fault. The shear zone (Star Fault) has been the channel of mineralization for all of the Lost Contact ore bodies.

Ore widths vary from 6 to 20 ft.

Average value to date for all Lost Contact ore has been 14.96% Zn, 11.43% Pb and 6.04 oz. Ag.

(b) 1. See accompanying sections designating ore reserves.

2. In making an estimate of available ore in the Akron Mine some departure from standard procedure is necessary. It is impractical to prove ore by blocking out on 4 sides as it is impossible to hold working raises open on the ore a sufficient length of time to complete extraction of the block.

11. The previous average production (1800 tons monthly) represents a substantial increase over the 1958 tons average for 1950. We expect to bring it up to 2000 tons per month after completion of present exploratory work.

12. (a) The bodies at Abcon are generally replacement and of the same origin. They occur in three distinct forms:

1. Big Vein Type Lines

This are comes in replaced limestone beds. They are relatively narrow - 2 to 6 ft. The strike is N.W. and dip about 20 degrees to the S.W.

Ore occurrence is partially controlled by cross-fracturing. The wall rock and ore are both extremely hard and walls require no support.

Average mine grade has been 1.91 Zn, .01 Pb and .5 oz. Ag per ton. Gold content is negligible.

2. Joint Contact Ore Bodies (Abcon Mine)

This ore occurs in lenses parallel to and in a major N.S. strike fault zone.

There are also replacement of the original limestone but are not always in conformity with the original bedding. Isolated lenses to date have been adjacent to a rhyolite porphyry dike that has been subjected to a great deal of movement. Average dip is 60 degrees to the east. Ground conditions are bad and require heavy timber. Ore bodies vary greatly with one lens having a width of 60 ft. Averages are within here been about 10 ft.

3. Joint Contact Footwall Ore Bodies

These are similar replacements but in along bedding plane faults in the footwall of the fault zone. Strike is parallel to that of the fault. The structure dips to the east about 45 degrees. The ground is easily mined and does not require nearly as much timber as the other. In the sheer zone (Ibex Fault) has been the locale of mineralization for all of the Joint Contact ore bodies.

Ore widths vary from 2 to 20 ft.

Average value to date for all Joint Contact ore has been 14.99% Zn, 11.05% Pb and .04 oz. Ag.

(b) Are accompanying geologic sections representative.

13. In making an estimate of available ore in the Abcon Mine some deductions from measured reserves is necessary. It is impractical to prove ore by blocking out in a stope as it is impossible to hold workings open or this ore a sufficient length of time to complete extraction of the block.

CALLAHAN ZINC-LEAD COMPANY, AKRON UNIT
WHITEPINE, GUNNISON COUNTY, COLORADO

FORM MF-100

The following estimate shows about 1 year's reserve at current production. Potential ore bodies now in the exploration stage are in excess of 100,000 tons of 25% combined lead-zinc ores.

Area of designated blocks are computed, multiplied by the average ore width and divided by 10 (cubic ft. per ton of ore in place). Dependent on conditions a percentage is taken of this total which is used in the proved column. The factor varies with geology for each particular area. Grades are computed from current development assays and past production of adjacent blocks. This method of estimating ore reserves has proven remarkably accurate during the past 5 years.

PROVED ORE

Block	Grade %Pb	Grade %Zn	Grade oz.Ag	Tons (2000#) Proved Ore	Gross Value Per Ton	Recoverable Value Per Ton
I	4.0	6.0	7.0	1,500		
II	4.0	6.0	5.0	2,020		
III	5.0	6.0	8.0	1,250		
IV	3.0	6.0	8.0	500		
V	5.0	7.0	8.0	5,000		
VI	6.0	7.0	5.0	1,130		
VII	4.0	12.0	5.0	500		
Erie	5.0	15.0	2.0	1,000		
Total				12,900	$ 47.94	$ 40.60
Average Grade	4.7	7.4	6.6			

INDICATED ORE

I	4.0	6.0	7.0	2,500		
II						
III						
IV	3.0	6.0	8.0	1,250		
V	5.0	7.0	8.0	2,420		
VI	6.0	7.0	5.0	1,130		
VII	4.0	12.0	5.0	900		
Erie	5.0	15.0	2.0	2,000		
Total				10,200	$ 49.44	$ 42.01
Average Grade	4.5	8.6	6.0			

Gross values per ton from E&MJ quotations East St. Louis for Zinc (.17½) and New York on Lead (.17)

Recoverable values are Gross Values less our average treatment loss.

Our average cost of production in 1950 was $ 20.86 per ton of ore. This includes mining and milling but does not include smelter charges and freight on concentrates.

13. Access Roads:

Concentrates are shipped via rail from Salida, Colorado. Total distance is 43 miles. Practically all supplies are delivered to the mine by motor freight either from Denver, Colorado - 200 miles east - or Grand Junction, Colorado - 175 miles west. Highway 50, nine miles from the mine, is reached via a well maintained, graveled, County road.

Employee's residence area is adjacent to the mine area.

14. Water Supply:

Water supply for both domestic and industrial use is ample. Underground workings have an average year-round flow of 1,000 gpm. This source supplies water used in the treatment plant. Tomichi Creek, a clear mountain stream with an average flow of 2 second ft. is the source of domestic water supply.

15. Power:

Present connected load totals about 600 HP. Power cost for April, 1951 was 1.809 cents per K.W.

Power is purchased from Public Service Company of Colorado who maintain a line from Salida, Colorado.

16. Labor:

Payroll at present is as follows:

1	Superintendent
1	Ass't Sup't and Accountant
1	Mine Foreman
1	Shift Foreman
1	Engineer and Geologist
1	Chemist
1	Clerk
1	Master Mechanic
7	General Surface and Shop
3	Flotation Operators
3	Mill Helpers
1	Tailings Disposal
29	Miners
17	Muckers
5	Motormen and Hoistmen

CALLAHAN ZINC-LEAD COMPANY, AKRON UNIT
WHITEPINE, GUNNISON COUNTY, COLORADO

FORM MP-100

17. Equipment and Facilities:

Buildings (Industrial-Akron)

Building	Type Construction	Condition
Office	Quonset	Good
Change Room	Quonset	Good
Machine Shop	Quonset	Good
Compressor House	Concrete & Frame	Fair
Warehouse	Concrete & Frame	Fair
Framing Shop	Frame	Good
Sawmill	Frame	Good
Snow Sheds (Portal)	Steel Frame (Fireproof)	Good
Snow Sheds (Dump)	Wood Frame	Fair
Powder Magazine	Frame Sand Filled	Good
Mill	Frame Truss Const.-Corrugated metal sheathing & lined with insulation board	Good
Emergency Pump House	Frame-Fireproofed	Good
Truck Garage	Frame	Good

Buildings - Erie

Compressor Building	Frame	Fair
Dryroom, Stereroom, etc.	Frame	Fair
Snow Sheds	Frame	Fair
Ore Bin & Conveyor Alley	Frame	Fair

Residence Area

28 - 3 and 4 room Houses, Modern and in Fair Condition-all Frame Construction.
Boarding House, Frame Construction, Fair Condition.
Bunk House - 30-man capacity, Steel Quonset, Good Condition.
Store, with Living Quarters, Frame Construction, Good Condition.
School Building, Modern, Two Rooms and Playroom, Frame Construction, Fair Cond.
Staff Apartment Building, Modern 4 apartment Unit, Fair Condition.

Equipment - Mines

Quantity	Kind	Description	Condition
5	Compressors	440 cu.ft. Displacement	Fair
2	Locomotives	3-ton Battery	Good
1	Locomotive	1½-ton Battery	Good
2	Slusher Hoists	7½ HP Air	Fair
1	Slusher Hoist	15 HP Electric	Good
1	Slusher Hoist	30 HP Electric	Good
5	Slusher Hoists	3½ HP Air	Good

CALLAHAN ZINC-LEAD COMPANY, AKRON UNIT
WHITEPINE, GUNNISON COUNTY, COLORADO

FORM MF-100

Equipment - Mines, continued

Quantity	Kind	Description	Condition
1	Hoist	30 HP Electric	Good
1	Hoist	20 HP Electric	Good
9	Tugger Hoists	Air	Good
1	Mucking Machine	12B Eimco	Good
24	Cars	25 cu.ft. Side Dump	Fair
17	Cars	12 & 16 cu.ft. End Dump	Fair
1	Diamond Drill	CP5 Air Motor	Good
6	Pumps	Small Boiler Feed Air Driven	Fair
5	Pumps	50 to 300 gpm Elec. Cent.	Good
	Rock Drills, Columns, Fans, Miscellaneous Small Tools		

Equipment - Machine Shop

1	Lathe	14" Swing Heavy Duty	Good
1	Steel Sharpener	Gardner-Denver Model DS1	Good
1	Drill Press	Standard Small	Good
1	Bit Grinder	Ingersoll Rand	Good
1	Steel Cutter	Ingersoll Rand	Good
1	Welder	Hobart 250 Amp	Good
2	Gas Welding Sets	Complete Cutting Equipment	Good
1	Bench Grinder	Heavy Duty	Good
	Complete Hand Tools		

Equipment - Sawmill & Framing Shop

Corinth Small Mill - 54" Saw, Carriage and Drive, Lumber Conveyor and Cut-Off Saw, Good Condition.
Framing Shop is equipped with Table Saw, Electric Chain Saw and Skill Saw.

Equipment - Flotation Plant

Crushing Plant: Steel 100 ton Coarse Ore Bin, 24" Feeder Belt, 10 x 20 Pacific Crusher, 80 ft. inclined Conveyor to Fine Ore Bin.

Grinding Circuit: 100 ton Crushed Ore Bin, Belt Feeder, 64½ Marcy Ball Mill and 100 HP Electric Motor Drive, 36" Wemco Spiral Classifier.

Flotation Section: 1-4 ft. Denver Agitator, 1 - 6 ft. Denver Agitator, 16 - Denver Sub A Flotation Cells, 2 - 20 ft. Wemco Thickeners, 2 - 4 x 4 Disc type Concentrate Filters, Concentrate Storage Bins, 2 - Ingersoll-Rand Vacuum Pumps and Miscellaneous Sand and Water Pumps.

Equipment - Tailings Disposal

1 - 30 ft. Wemco Thickener, 1 - Ingersoll-Rand Vacuum Pump, 1 - 6 x 6 Denver Disc Filter, Conveyor Belt discharge to tailings disposal area and miscellaneous pumps, etc.

Miscellaneous Surface Equipment

Fire Equipment

1 - 60 HP Buda Engine and 500 gallon per minute Centrifugal Pump
10,000 gallon Storage Domestic Water Supply Tank
12,000 gallon Storage Domestic Water Supply Tank
1 - 40 gallon Foam type Fire Engine
Hose, Small Extinguishers, etc.

General

1 - D-8 Caterpillar Tractor with Blade, Fair Condition
1 - 2 ton Dump Truck, Ford 1949, Good Condition
1 - Pickup, Dodge 1945, Poor Condition
2 - Ambulances, Dodge, 4-wheel drive, Army type, Fair Condition
1 - Gasoline Driven Surface Diamond Drill, CP Model 6, Good Condition

(*b*) If deposit is other than placer:

(1) Submit assay plans and/or sections showing location and size of proved (measured) and probable (indicated) ore or mineral reserve.

(2) State the tonnage (indicate type of ton) and grade of each class of ore reserve, as above, and show how computed. Tabulated total ore reserve as follows:

TOTAL ORE OR MINERAL RESERVES

Ore or Mineral Reserve	Estimated Tons (a)	Metal or Mineral Content Per Ton (Grade) (b)	Gross Value Per Ton (c)	Recoverable Unit Value Per Ton (d)	Estimated Cost of Production Per Ton (e)
Measured (proved)					
Indicated (probable)					

(*c*) If placer:

(1) Give estimated total yardage and average marketable mineral content of each deposit.

(2) Submit map showing location of placer deposit and surrounding area, with all test holes or pits. Submit logs of each hole and test pit with depth and average value of each.

(3) Describe gravel, stating whether fine, medium or coarse; loose, tight, cemented, or frozen, and whether it contains stumps or boulders more than 1 foot in diameter; if so, how large, and in what proportion.

(4) Describe bedrock, giving type (granite, sandstone, shale, etc.) and state whether it is hard or soft, smooth, uneven or rough.

(5) Describe overburden, stating whether loose, tight, or cemented; fine or coarse textured; furnish estimate of average thickness and total amount.

(6) Tabulate the reserves using the form outlined above for ore or mineral reserves.

13. Access Roads:

Give road distances to shipping, supply and residence points, stating kind and condition of roads.

14. Water Supply:

State source and quantity of water available for operations and whether sufficient for all seasons of year.

15. Power:

State amount of power used, rate per hour, and source thereof.

16. Labor:

State number and classes (miners, muckers, millmen, etc.) of men employed during a recent representative payroll period.

17. Equipment and Facilities:

Describe present equipment on the property, including buildings. (State condition.) List major pieces of equipment now owned or controlled and in serviceable condition available for this operation.

18. Are there any particular conditions or circumstances affecting your operations that are not described above? If so, explain.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this form and accompanying papers is correct and complete to the best of their knowledge and belief.

Callahan Zinc-Lead Company
(Name of company)

By E. G. Sale
(Signature of authorized official)

May 22 1951
(Date)

Treasurer
(Title)

Title 18, U. S. Code (Crimes), Section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

U. S. GOVERNMENT PRINTING OFFICE 16—63792-1

Standard Form No. 1044—Revised
Form approved by Comptroller General U. S.
June 25, 1936

SCHEDULE OF COLLECTIONS

Schedule No. DMA-54-C-68

Sheet No. 1

14-23-040

Department of the Interior
(Department or Establishment)

Defense Minerals Exploration Administration
(Bureau or Office)

Received by C. S. Evans, Regional Disbursing Officer (Name) (Title) at Denver, Colorado (Station)

Period December, 1953 (Month or quarter ended)

D. O. Symbol No. 413

Date Received	Receipt Number	Name of Remitter	Detail Description of Purpose for Which Collections Were Received	Amount	Fund to be Credited (Symbol and title in full)
12-23-53		Callahan Zinc-Lead Co. Check No. T 5275 drawn on The New York Trust Company, Ten Rockefeller Plaza, New York.	Repayment under the Mineral Exploration Program, Contract Idm-E235, Callahan Zinc-Lead Co., Government's Interest in Property.	$ 50.00	14X4401 Revolving Fund Defense Production Act, Interior
		Boomerang Mining Co., Check No. 1664 drawn on United States Bank of Grand Junction, Grand-Junction, Colorado	Repayment under the Mineral Exploration Program, Contract No. Idm-E445, Boomerang Mining Co.	472.92	" "
		United States Smelting Refining & Mining Co., Check No. 97720 drawn on Walker Bank & Trust Company, Salt Lake City, Utah	Mineral Exploration Program, Contract No. Idm-E4, ~~U.S. Smelting, Refining & Mining Co.~~ Chief Consolidated Mining Co.	395.33	" "
		United States Smelting Refining & Mining Co. Check No. 97637 drawn on Walker Bank & Trust Company, Salt Lake City, Utah.	Repayment under the Mineral Exploration Program, Contract No. Idm-E4, ~~U.S. Smelting, Refining & Mining Co.~~ Chief Consolidated Mining Co.	294.52	" "
		United States Smelting Refining & Mining Co. Check No. 97665 drawn on Walker Bank & Trust Co. Salt Lake City, Utah	Repayment under the Mineral. Explor. Prog. Contract No. Idm-E4 ~~U.S. Smelting, Refining & Mining Co.~~ Chief Consolidated Mining Co.	199.78	" "
			TOTAL,	$1,412.55	

Received _____, subject to collection. Forwarded December 23, 1953

_____
(Disbursing clerk or accountable officer)

By _____

By RANDEL R. COOPER
Randel R. Cooper (Name)
Title Authorized Certifying Officer

Certificate of Deposit No. _____ dated _____

U. S. GOVERNMENT PRINTING OFFICE 10—1790

DISCLAIMER OF GOVERNMENT'S INTEREST IN PROPERTY

To: Callahan Zinc-Lead Company, Incorporated

140 Park Avenue

New York 17, New York

The United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, for a valuable consideration hereby sells, assigns, transfers and sets over to you all of its right, title and interest in all property acquired under Exploration Project Contract I-dr-1235, Docket No. DMA 1125A, dated January 11, 1952.

Dated December 22, 1953

THE UNITED STATES OF AMERICA

By W H King

W. H. King
Executive Officer, DMEA
Field Team, Region IV

Form MF-104 (Rev.)
(April 1952)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Budget Bureau No. 42-R1036.3.
Approval expires 6-30-53.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 8 1952

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of June, 1952 Docket No. DMEA 1225K Contract No. Idn-235
Operator's Name Callahan Zinc-Lead Company Minerals Lead-Zinc
Address Whitepine, Colorado
Contract Amount, $ 15,305.00 Government Participation: 50 % Amount, $ 30,610.00

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling						
Bulldozing						
Crosscutting						
Drifting						
(2) Labor and Supervision:						
Labor 913.60	~~911.62~~	7,809.73	8723.33 ~~8,721.35~~			
Supervision 51.70	~~53.68~~	426.96	878.66 ~~480.64~~			
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber		296.11	296.11			
Explosives	91.81	928.24	1,020.05			
Pipe		81.43	81.43			
Track						
Miscellaneous	44.20	2,029.04	2,073.24	34.23	2,029.04	2,063.27
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation	38.03	353.00	391.03			
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment	245.66	777.83	1,023.49			
Sampling and Analysis						
Payroll Taxes	48.74	476.29	525.03			
Liability Insurance						
Power	108.76	972.43	1,081.19			
Miscellaneous	3.19	43.87	47.06			
(8) Contingencies (specify):						
				1,536.52	14,194.93	15,731.45
					* 75.84	* 75.84
Totals	1,546.40	14,194.93	15,741.42		** 135.17	** 135.17
				1,536.52	13,983.92	15,520.44

I certify that the above bill is correct and just and that payment therefor has not been received.

Date 7/17/52 *Payee Callahan Zinc-Lead Company

Per Frank A. Micari Title Accountant

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

ad

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$ 730.34

Signature
(Authorized Certifying Officer)

Date 9/3/52 Vou. No. DMA 53-28

(See other side)

* DMEA Auditors Report
** Previous Disallowances

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. Idm-E235 in accordance with the terms of the contract.

Signature C.M. Harrer Title Mining Engr. Date 7/29/52

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(a) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(b) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(c) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

U. S. GOVERNMENT PRINTING OFFICE 205675

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151
Approval expires 6-30-53.

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 8 1952

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of June 195 Docket No. DMEA 1225K Contract No. Idm-5235
Operator's Name Callahan Inc-Lead Company Minerals Lead-Zinc
Address Victorin, Colorado

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Ft.	1,546.49	29	7,407.50	159	46.59	750	34.54
Crosscutting								
Raising				8,334.04	119	70.03	120	40.47
Shafts								
Winzes								
Drilling: Core								
Churn								
Auger								
Stripping								
Trenching								
Test Pits								
Roads and Trails								
TOTAL DISTRIBUTED COSTS		1,546.49		15,741.42				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS		1,546.49		15,741.42				50,010.00

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date 7/17/52 Operator Callahan Inc-Lead Co.

Per [illegible] Title [illegible]

REMARKS:

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

(For Government use only)

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

U. S. GOVERNMENT PRINTING OFFICE 205676

U. S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
LEBANON PA

Administrative Audit Difference Statement

Date: September 3, 1952
Payroll
Reference: Progress Report - June 1952

Callahan Zinc - Lead Co., Inc.
100 Park Avenue
New York 17, N. Y.

Upon examination of the above Payroll Reference a difference was found which makes it necessary to amend your account accordingly:

Amount claimed	$ 1,546.49
Difference	$ 85.81
Amount Approved	$ 1,460.68

The reason for the difference was due to:

Mine Lamp Rental	3.08
Prorata charge office exp.	.99
Prorata charge mine lamp supplies, hoist and pump repairs	5.90
Repairs & Maintenance of employee's living quarters disallowed during recent audit by DMEA Auditor	75.84
	85.81

Any credits for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

Idm-E235

Payroll for June, 1952

Direct Labor	Occupation	Man Shifts*	Rate	Gross Earnings	FOA SUI & FUI
			$	$	$
L. G. Nerlin	Piecework Miner	7	18.415	128.91	3.65
Don Austin	" "	7	18.415	128.90	3.64
L. Taylor	" "	5	18.415	92.06	2.60
H. Trobaugh	" "	4	18.415	73.66	2.08
C. L. Flick	" "	1	18.415	18.41	.52
W. Glesky	" "	3	18.415	55.25	1.56
C. Nachtrieb	" "	1	18.415	18.41	.52
Sub-Total		28		515.62	14.57
INDIRECT PRORATED LABOR					
C. Murdie	Compressor Operator	11	11.84	127.96	3.61
L. G. Nerlin	Miner	5	11.84	55.66	1.58
Fred Fields	Compressor Operator	7	11.84	80.77	2.25
W. Glesky	Trammer	6	11.84	66.95	1.90
George Gaden	Warehouseman	1	10.88	10.09	.29
Stuart Wahl	Electrician	1	13.76	14.55	.39
George Settle	Mechanic	2	13.76	21.76	.62
Ralph Stitzer	Engineer	1	14.20	11.45	.32
Dorothy Settle	Clerk	1	10.56	6.79	.25
Sub-Total		35		397.98	11.21
Supervision Prorated					
O. Statler	Mine Foreman	2	466.00 Per.Mo.	29.22	.86
J. E. Dunn	Superintendent	1	702.00 Per.Mo.	22.48	.64
Sub-Total		3		51.70	1.52
GRAND TOTAL		66		965.30	27.30

* Correct to nearest man shift only.

Idm-E235

FORM MP-104

SCHEDULE B

June 1, 1952 to June 30, 1952

Indirect Mining Costs of the Erie Operation showing portion chargeable to Idm-E235 on the basis of tons of material handled.

Tons - Company	0
Tons - Idm-E235	98
Total Tons	98

	Labor	Supplies	Other	Total
$				
Tunnel Maintenance	55.66	8.76	2.83	67.27
Trenching	66.95		3.41	70.36
Compressed Air & Timber Framing	208.75	.11	10.63	219.47
Erie Mine Power			101.11	101.11
Mine Lamps		3.08		3.08
Total	331.34	11.97	117.98	461.29
98/98 for Idm-E235	331.34	11.97	117.98	461.29

Idm-2235

FORM M7 -106

SCHEDULE B

June 1, 1952 to June 30, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-2235 on the basis of man shifts of work.

Man Shifts - Company	1469
Man Shifts - I-Dmi-52	--
Man Shifts - Idm-2235	28
Total Man Shifts	1497

	Labor	Supplies	Other	Total
	$			
Camp Yard	27.83	30.49	1.42	59.74
Boarding House			170.55	170.55
Trunk		174.22		174.22
Water System	13.02	36.05	.71	50.06
Roads				
Caterpillar				
Camp Power			408.18	408.18
General Supervision	551.00		15.77	566.77
Mine Office	470.23	55.27	14.80	540.30
Surveying	612.87		31.17	644.04
Total	$ 1,675.35	294.01	643.41	2,612.77
28/1497 for Idm-2235	$ 31.34	5.50	12.03	48.87

Idm-2235

FORM MP-104

SCHEDULE C
June 1, 1952 to June 30, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-2235 on the basis of tons of material handled.

Tons Ore - Akron	1602
Tons Waste - Akron	1334
Tons Ore - Erie	0
Tons Waste - Erie	0
Tons Waste - I-DMA-52	0
Tons Waste - Idm-2235	25
Total Tons	2961

		Labor	Supplies	Other	Total
Shop	$	1,127.14	479.87	57.38	1,664.39
Mine Lamps			27.78		27.78
Warehouse		520.05	3.58	16.29	539.92
Direct Supervision		1,313.48		66.87	1,380.35
Total	$	2,760.67	511.23	140.54	3,412.44
25/2961 for Idm-2235	$	57.00	16.11	4.45	107.54

Idm-8258

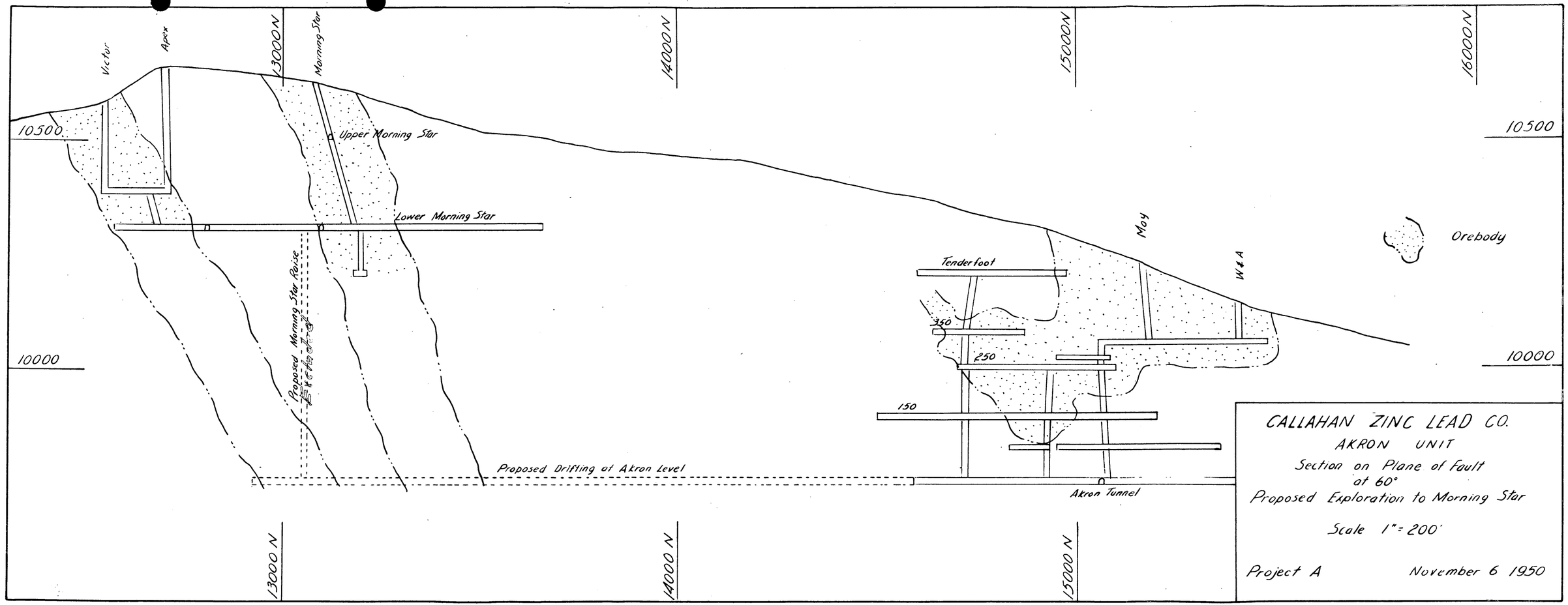
FORM MF-104

SCHEDULE D

June 1, 1962 to June 30, 1962

EQUIPMENT FURNISHED BY OPERATOR

1	Air Locomotive	$	25.00
8	Mine Cars		25.00
1	Ventilator Fan, 30 H.P.		10.00
1	Air Hoist, 1-4cu		15.00
2	Air Drills		25.00
1	Drill Column, complete		1.00
1	Dodge Enclosed Truck		15.00
1	Air Pump		5.00
	Total	$	116.50
10/30 for Idm-8255		$	38.83


Victor
Apex
13000 N
Morning Star
14000 N
15000 N
16000 N
10500
10500
Upper Morning Star
Lower Morning Star
Proposed Morning Star Raise
May
W & A
Orebody
Tenderfoot
350
250
150
10000
10000
Proposed Drifting of Akron Level
Akron Tunnel
13000 N
14000 N
15000 N
CALLAHAN ZINC LEAD CO.
AKRON UNIT
Section on Plane of Fault
at 60°
Proposed Exploration to Morning Star
Scale 1" = 200'
Project A
November 6 1950

MF-10 4
(August 1 51)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 235

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA 1225X
Total Contract Amount $ 30,610
Government Participation: 50 % Amount, $ 15,305
Distribution of Expenditures for Month of May, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Callahan Zinc-Lead Company
(Name of Company)

By Frank S. Mucci
(Signature of Authorized Official)

6/17/52
(Date)

Mine Accountant
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16--64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
See Schedule D attached	108.00	245.00	353.00	108.00	245.00	353.00
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

[illegible]
[illegible]
[illegible]

[illegible]

[illegible] July 22, 1952
[illegible]
[illegible] Progress
Report, May 1952

Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, N. Y.

Upon examination of the above report we discovered a discrepancy which will be necessary to adjust your account accordingly:

Amount claimed	$ 5,039.17
Difference	$ 135.16
Amount approved	$ 4,904.01

The reason for the difference was due to:

Pro rata amount of an erroneous charge of $164.41 under "Schedule A" for two mine cars.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

Any credit for deductions made above must be supported by the ORIGINAL of this form.

Very sincerely yours,

N. E. Stokes
Audit Section

[illegible] - [illegible] Form No. 4
[illegible]

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	2,856.64	4,953.09	7,809.73	2,856.64	4,953.09	7,809.73
5. Supervision	104.21	322.75	426.96	104.21	322.75	426.96
6. Supplies						
(a) Timber	15.03	281.08	296.11	15.03	281.08	296.11
(b) Explosives	432.20	496.04	928.24	432.20	496.04	928.24
(c) Repair Parts	508.65	269.18	777.83	508.65	269.18	777.83
(d) Other	403.40	1,707.07	2,110.47	268.24	1,707.07	1,975.31
7. Power	414.12	558.31	972.43	414.12	558.31	972.43
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	73.03	105.15	178.18	73.03	105.15	178.18
S. S. Taxes	110.58	187.53	298.11	110.58	187.53	298.11
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy	13.31	30.56	43.87	13.31	30.56	43.87
Total	5,039.17	9,155.76	14,194.93	4,904.01	9,155.76	14,059.77
Deletions						
Adjusted totals						
Totals previously reported	9,155.76			9,155.76		
Totals to date	14,194.93			14,059.77		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Amount approved for payment $2441.63*
Remarks

16—64968-3

* Subject to contract amendments.

Schedule DMA 53-11
July 22 1952
2452.01

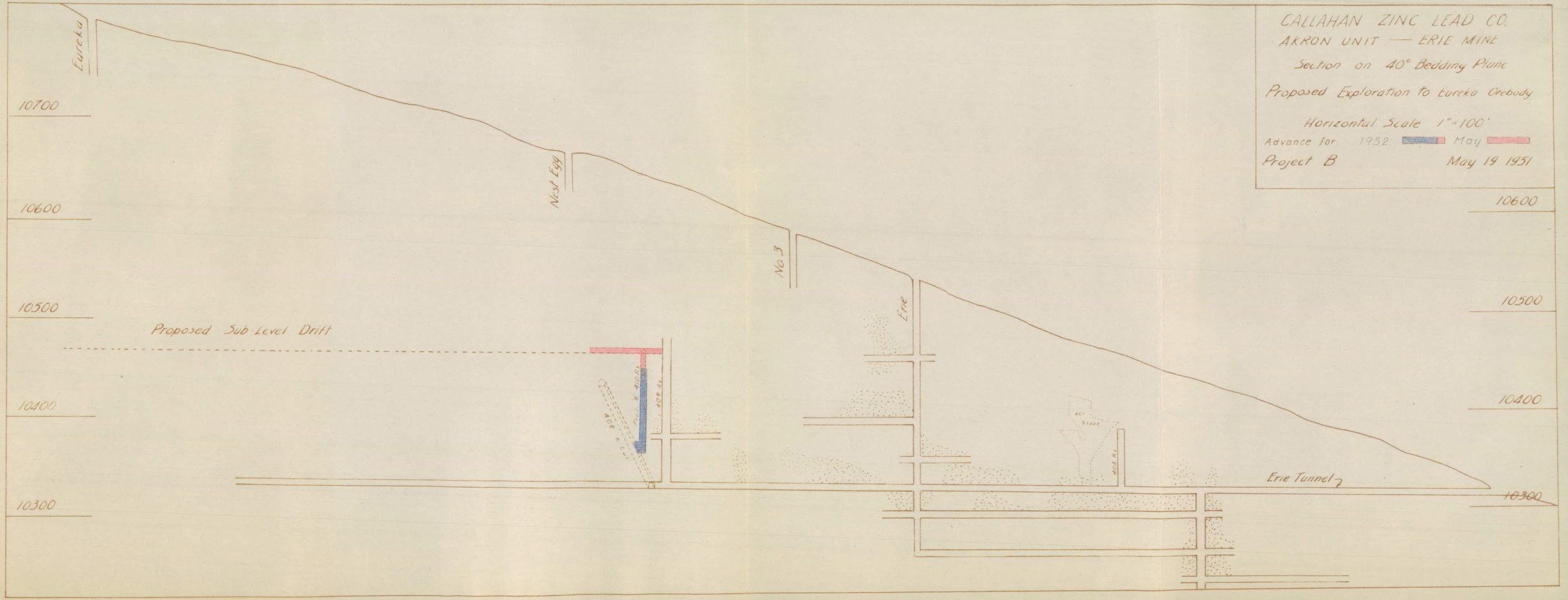
EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF .....

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	2,960.85	108.00	1,359.28	611.04	5,039.17	Ft.	115	15	130	750
Crosscutting										
Raising						Ft.		119	119	120
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	2,960.85	108.00	1,359.28	611.04	5,039.17		115	134	249	870

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE


CALLAHAN ZINC LEAD CO.
AKRON UNIT — ERIE MINE
Section on 40° Bedding Plane
Proposed Exploration to Eureka Orebody
Horizontal Scale 1" = 100'
Advance for 1952
May
Project B
May 19 1951
Eureka
Nest Egg
No 3
Erie
10700
10600
10500
10400
10300
Proposed Sub Level Drift
Erie Tunnel

Idm-8235

Payroll for May, 1952

Direct Labor	Occupation	Man Shifts*	Rate	Gross Earnings	FOA SUI & FUI
Ray Hicks	Piecework Miner	3	$ 20.41	$ 61.23	$ 1.97
Chris Jensen	" "	26	20.41	530.69	17.03
L. G. Kerlin	" "	25	20.41	510.28	16.38
Don Austin	" "	14	20.41	285.76	9.17
Lester Tayler	" "	16	20.41	326.56	10.48
Howard Trobaugh	" "	1	20.41	20.42	.66
Sub-total		85		1,734.95	55.69
Indirect Prorated Labor					
C. Murdie	Compressor Oper.	21	11.84	250.73	11.36
Ralph Stitzer	Engineer	3	14.20	49.77	2.26
Dorothy Settle	Clerk	5	10.56	53.90	2.44
George Settle	Mechanic	5	13.76	68.80	3.12
Fred Fields	Compressor Oper.	21	11.84	250.74	11.36
W. Glesky	Trammer	22	11.84	261.37	11.84
Stuart Wahl	Electrician	4	13.76	55.04	2.49
M. C. Hicks	Miner	2	11.84	23.68	1.07
Don Roberts	Miner	2	11.84	23.68	1.07
John Stitzer	Geologist	3	14.42	49.78	2.26
G. Gaden	Warehousemen	3	10.56	34.19	1.56
Sub-total		91		1,121.66	50.83
Supervision Prorated					
O. Statler	Mine Foreman	6	15.60	85.67	3.34
J. E. Dunn	Superintendent	1	20.00	18.54	.72
Sub-total		7		104.21	4.06
GRAND TOTAL		183		$ 2,960.85	$ 110.58

* Correct to the nearest man shift only.

Idm-E235

FORM MP- 104

SCHEDULE A

May 1, 1952 to May 31, 1952

Indirect Mining Costs of the Erie Operation showing portion chargeable to Idm-E235 on the basis of tons of material handled.

Tons - Company	84
Tons - Idm-E235	388
Total Tons	472

		Labor	Supplies	Other	Total
	$				
Tunnel Maintenance		13.56	13.85	1.10	28.51
Tramming		317.96	248.09	23.07	589.11
Compressed Air & Timber Framing		610.03		49.42	659.45
Erie Mine Power				474.86	474.86
Mine Lamps			6.17		6.17
Total	$	941.54	268.11	548.45	1,758.10
388/472 for Idm-E235	$	773.98	220.40	450.84	1,445.22

Idm-E235

FORM MF - 104

SCHEDULE B

May 1, 1952 to May 31, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-E235 on the basis of man shifts of work.

Man Shifts - Company	1700
Man Shifts - I-DM/-E2	--
Man Shifts - Idm-E235	85
Total Man Shifts	1785

	Labor	Supplies	Other	Total
Camp Yard	67.78	155.71	5.50	228.99
Boarding House			279.45	279.45
Dwellings	311.80	506.67	25.25	843.72
Truck		162.25		162.25
Water System	27.11	9.70	2.20	39.01
Roads	54.23		4.39	58.62
Caterpillar	13.56		1.10	14.66
Camp Power			499.36	499.36
General Supervision	636.00	1.45	20.96	658.41
Mine Office	1,077.96	118.47	35.75	1,232.18
Surveying	596.48	3.51	48.33	648.32
Total	$ 2,794.92	989.76	922.27	4,666.95
85/1785 for Idm-E235	$ 132.61	45.70	43.92	222.23

Idm-E235

FORM MF-104

SCHEDULE C

May 1, 1952 to May 31, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-E235
On the basis of tons of material handled.

Tons Ore - Akron	1819
Tons Waste - Akron	1132
Tons Ore - Erie	84
Tons Waste - Erie	0
Tons Waste - I-DMA-E2	0
Tons Waste - Idm-E235	388
Total Tons	3423

		Labor	Supplies	Other	Total
	$				
Shop		1,098.06	1,186.63	88.97	2,373.66
Mine Lamps		18.56	24.69	1.10	59.35
Warehouse		311.80		25.26	337.06
Direct Supervision		1,398.52		86.77	1,480.29
Total	$	2,816.94	1,211.32	202.10	4,230.36
388/3423 for Idm-E235	$	319.30	137.30	22.91	479.51

Ldm-2235

FORM MF- 104

SCHEDULE D

May 1, 1952 to May 31, 1952

EQUIPMENT FURNISHED BY OPERATOR

1	Air Locomotive	$ 25.00
4	Mine Cars	17.00
1	Ventilator, Fan, 10 H. P.	10.00
1	Air Hoist, 1-ton	13.00
2	Air Drills	28.00
1	Drill Column, complete	1.00
1	Dodge Enclosed Truck	13.00
1	Air Pump	5.00
	Total	$ 108.00

P104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 235

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA 1225X
Total Contract Amount $ 30,610
Government Participation: 50 % Amount, $ 15,305
Distribution of Expenditures for Month of April, 1952

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Callahan Zinc-Lead Company
(Name of Company)

By James T. Hyman
(Signature of Authorized Official)

5/15/52
(Date)

Ass't Superintendent
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
See Schedule D attached	107.00	138.00	245.00	107.00	138.00	245.00
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1,786.60	3,166.49	4,953.09	1,786.60	3,166.49	4,953.09
5. Supervision	102.50	220.25	322.75	102.50	220.25	322.75
6. Supplies						
(a) Timber	127.59	153.49	281.08	127.59	153.49	281.08
(b) Explosives	154.11	341.93	496.04	154.11	341.93	496.04
(c) Repair Parts	83.23	185.95	269.18	83.23	185.95	269.18
(d) Other	476.77	1,230.30	1,707.07	476.77	1,230.30	1,707.07
7. Power	209.42	348.89	558.31	209.42	348.89	558.31
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	42.03	63.12	105.15	42.03	63.12	105.15
SS Taxes	35.12	152.41	187.53	35.12	152.41	187.53
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy	5.62	24.94	30.56	5.62	24.94	30.56
Total	3,129.99	6,025.77	9,155.76	3,129.99	6,025.77	9,155.76
Deletions						
Adjusted totals						
Totals previously reported	6,025.77			6,025.77		
Totals to date	9,155.76			9,155.76		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harper
Amount approved for payment ~~$1564.99~~ 1564.99
Remarks

16—64068-3

Schedule DMA 52-61
June 19, 1952
~~3129.99~~ 1564.99

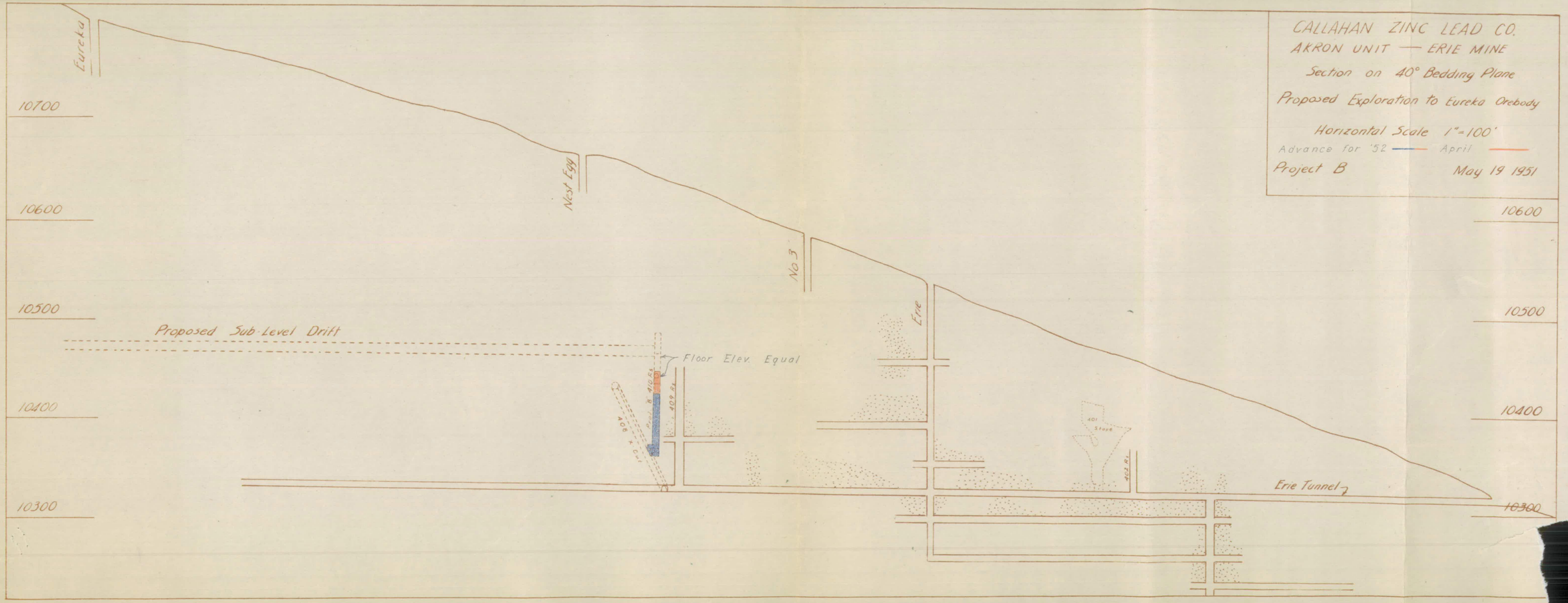
EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF April, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting	497.21	28.16	219.45	76.90	821.72	ft.	15		15	750
Crosscutting										
Raising	1,391.89	78.84	622.25	215.29	2,308.27	ft.	42	77	119	120
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,889.10	107.00	841.70	292.19	3,129.99		57	77	134	870

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE


CALLAHAN ZINC LEAD CO.
AKRON UNIT — ERIE MINE
Section on 40° Bedding Plane
Proposed Exploration to Eureka Orebody
Horizontal Scale 1" = 100'
Advance for '52
April
Project B
May 19 1951
Eureka
Nest Egg
No 3
Erie
10700
10600
10500
10400
10300
Proposed Sub-Level Drift
Floor Elev. Equal
B 410 Rd.
402 Rd.
406 Cut
401 Stope
402 Rd.
Erie Tunnel

Idm-E235

Payroll for April, 1952

Direct Labor	Occupation	Man Shifts*	Rate	Gross Earnings	FOA SUI & FUI
Ray Hicks	Piecework Miner	23	$ 27.65	$ 635.95	$ 11.82
Ben Hall	" "	1	27.65	27.65	.52
Chris Janson	" "	25	27.65	691.25	12.85
M. G. Hicks	" "	1	27.65	27.91	.52
Sub-total		50		1,382.76	25.71
Indirect Prorated Labor					
C. Murdie	Compressor Oper.	10	11.84	112.84	2.10
Ralph Stitzer	Engineer	1	14.20	20.77	.39
L. Flynn	Clerk	2	10.56	21.80	.41
Elmer Wahl	Mechanic	5	13.76	67.60	1.26
George Gaden	Warehouseman	1	10.56	8.78	.16
W. Glesky	Trammer	10	11.84	122.68	2.28
Stuart Wahl	Electrician	1	13.76	11.76	.22
M. G. Hicks	Miner	2	11.84	20.00	.37
Don Roberts	Miner	2	11.84	17.61	.32
Sub-total		34		403.84	7.51
Supervision Prorated					
J. E. Dunn	Superintendent	1	20.00	17.41	.32
O. Statler	Mine Foreman	6	15.60	85.09	1.58
Sub-total		7		102.50	1.90
GRAND TOTAL		91		$ 1,889.10	$ 35.12

Idm-E235

FORM MF-104

SCHEDULE A

April 1, 1952 to April 30, 1952

Indirect Mining Costs of the Erie Operation showing portion chargeable to Idm-E235 on the basis of tons of material handled.

Tons - Company	390
Tons - Idm-E235	263
Total Tons	653

		Labor	Supplies	Other	Total
Tunnel Maintenance	$	93.39	35.00	3.86	132.25
Tramming		304.60	129.68	12.58	446.86
Compressed Air & Timber Framing		280.18	85.87	11.58	377.63
Erie Mine Power				486.04	486.04
Mine Lamps			6.17		6.17
Total	$	678.17	256.72	514.06	1,448.95
263/653 for Idm-E235	$	273.13	103.39	207.04	583.56

Idm-E235

FORM MF- 104

SCHEDULE B

April 1, 1952 to April 30, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-E235 on the basis of man shifts of work.

Man Shifts - Company	1674
Man Shifts - I-DMA-E2	103
Man Shifts - Idm-E235	50
Total Man Shifts	1827

		Labor	Supplies	Other	Total
Camp Yard	$	153.42	295.26	5.51	344.19
Boarding House				205.20	205.20
Dwellings		106.74	257.97	4.41	369.12
Truck			65.32		65.32
Water System		53.37	57.87	2.20	113.44
Roads		13.34		.55	13.89
Caterpillar		26.68	64.65	1.11	92.44
Camp Power				499.40	499.40
General Supervision		636.00	3.00	12.27	651.27
Mine Office		796.52	337.86	15.36	1,149.74
Surveying		758.77	2.00	31.24	792.01
Total	$	2,524.84	993.93	777.25	4,296.02
50/1827 for Idm-E235	$	69.10	27.20	21.27	117.57

Idm-E235

FORM MF-104

SCHEDULE C

April 1, 1952 to April 30, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-E235 on the basis of tons of material handled.

Tons Ore - Akron	1819
Tons Waste - Akron	803
Tons Ore - Erie	35
Tons Waste - Erie	355
Tons Waste - I-BMA-E2	722
Tons Waste - Idm-E235	263
Total Tons	3997

		Labor	Supplies	Other	Total
Shop	$	1,027.35	826.52	42.30	1,896.17
Mine Lamps		40.04	24.69	1.64	66.37
Warehouse		133.42		5.49	138.91
Direct Supervision		1,293.24		53.25	1,346.49
Total	$	2,494.05	851.21	102.68	3,447.94
263/3997 for Idm-E235	$	164.11	56.01	6.75	226.87

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF March, 1952

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting						ft.				750
Crosscutting										
Raising	1,702.97	75.50	784.72	267.82	2,831.01	ft.	49	28	77	120
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,702.97	75.50	784.72	267.82	2,831.01		49	28	77	870

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1,603.86	1,562.63	3,166.49	1603.86	1562.63	3166.49
5. Supervision	99.11	121.14	220.25	99.11	121.14	220.25
6. Supplies						
(a) Timber	153.49		153.49	153.49		153.49
(b) Explosives	168.29	173.64	341.93	168.29	173.64	341.93
(c) Repair Parts	37.18	148.77	185.95	37.18	148.77	185.95
(d) Other	425.76	804.54	1,230.30	425.76	804.54	1230.30
7. Power	147.47	201.42	348.89	147.47	201.42	348.89
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	26.32	36.80	63.12	26.32	36.80	63.12
SS Taxes	76.63	75.78	152.41	76.63	75.78	152.41
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy	17.40	7.54	24.94	17.40	7.54	24.94
Total	2,831.01	3,194.76	6,025.77	2831.01	3194.76	6025.77
Deletions						
Adjusted totals						
Totals previously reported	3,194.76			3194.76		
Totals to date	6,025.77			6025.77		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C.M. Harris
Amount approved for payment $1415.50 $1415.50 $1415.50
Remarks

2.(c)

2 Mine Cars, 18 cu.ft.	8.50
1 Fan, 10 hp	10.00
2 Air Drills	28.00
1 Dodge Truck	15.00
1 Air Pump	3.00
1 Air Hoist, 1-ton	15.00
	75.50

16—64068-3

Schedule DMA 52-49
May 16, 1952
$1415.50

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
See List Below	75.50	62.50	138.00	75.50	62.50	138.00
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No. Idm-E 235

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA 1225T
Total Contract Amount $ 30,610
Government Participation: 50 % Amount, $ 15,305
Distribution of Expenditures for Month of March, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
MAY 29 1952

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Callahan Zinc-Lead Company
(Name of Company)

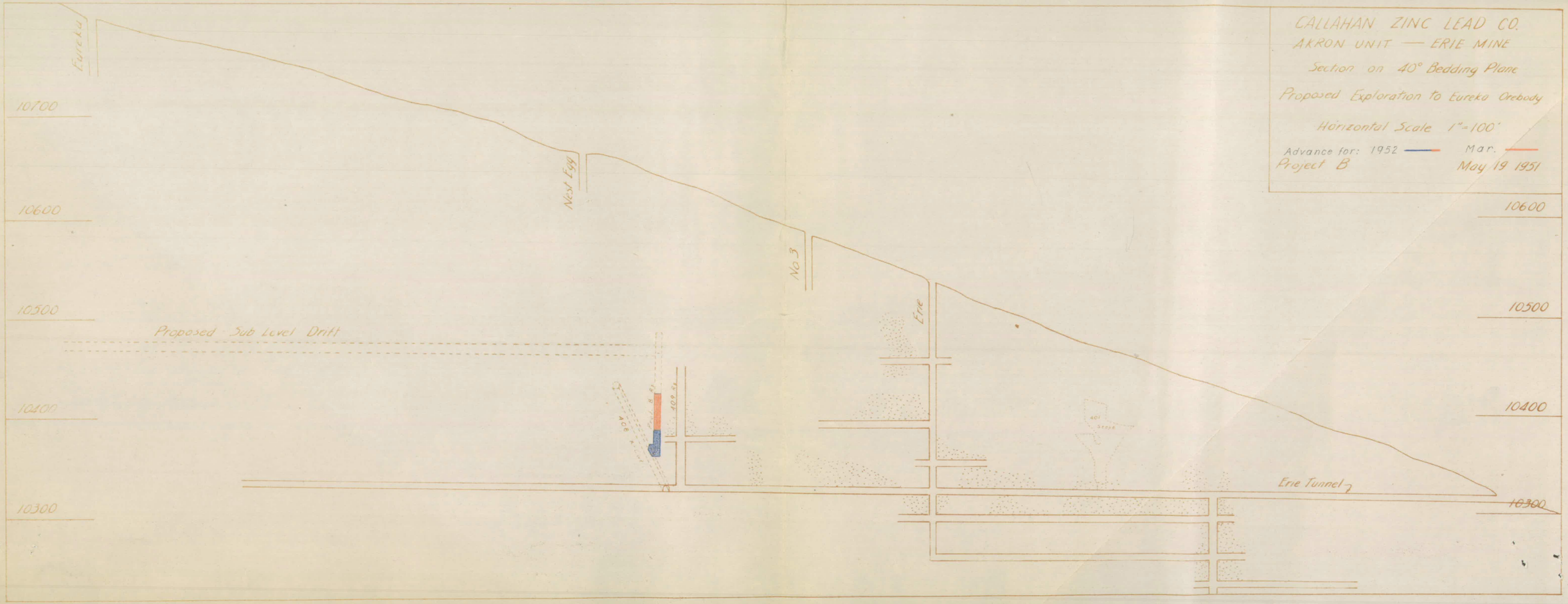
By R. James Flynn
(Signature of Authorized Official)

4/15/52
(Date)

Ass't Superintendent
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-3


CALLAHAN ZINC LEAD CO.
AKRON UNIT — ERIE MINE
Section on 40° Bedding Plane
Proposed Exploration to Eureka Orebody
Horizontal Scale 1"=100'
Advance for: 1952
Mar.
Project B
May 19 1951
Eureka
Nest Egg
No 3
Erie
10700
10600
10500
10400
10300
Proposed Sub Level Drift
Erie Tunnel

Idaho-[illegible]

Payroll for March, 1952

Direct Labor	Occupation	Man Shifts*	Rate	Gross Earnings	FOA SUI & FUI
D. Gordon	Piecework Miner	3	$ 13.12	$ 39.36	$ 1.77
R. Ball	" "	16	13.12	211.55	9.52
G. Heyenhagr	" "	15	13.12	196.80	8.86
Ray Hicks	" "	26	13.12	339.66	15.28
G. Jensen	" "	6	13.12	78.72	3.54
W. G. Richardson	" "	3	13.12	39.36	1.77
V. W. Washburn	Shopman	14	13.76	192.64	8.67
C. G. Moss	Shopman	14	13.76	192.64	8.67
Sub-total		97		1,290.71	58.08
Indirect Prorated Labor					
G. Murdie	Compressor Oper.	12	11.34	136.07	6.12
Ralph Stitzer	Engineer	2		40.70	1.83
L. Flynn	Clerk	3	10.34	36.03	1.62
Elmer Wahl	Shopman	6	13.76	88.30	3.97
George Godem	Clerk	1	10.34	12.03	.54
Sub-total		24		313.13	14.08
Supervision Prorated					
J. R. Dunn	Superintendent	1 ~~2~~		27.29	1.23
Ora Statler	Mine Foreman	4		71.82	3.23
Sub-total		5 ~~6~~		99.11	4.46
GRAND TOTAL		126 ~~126~~		$ 1,702.97	$ 76.63

Idm-EZ35

FORM MP-104

Schedule A

March 1, 1952 to March 31, 1952

Indirect Mining Costs of the Erie Operation showing portion chargeable to Idm-EZ35 on the basis of tons of material handled.

Tons - Company	639
Tons - Idm-EZ35	220
Total Tons	859

		Labor	Supplies	Other	Total
Tramming	$		4.96		4.96
Compressed Air & Timber Framing		531.28		32.44	563.72
Tunnel Maintenance					
Erie Mine Power				478.06	478.06
Mine Lamps			5.86		5.86
Total	$	531.28	10.82	510.50	1,052.60
220/859 for Idm-EZ35	$	136.07	2.77	130.74	269.58

Idm-R235

FORM MF-104

Schedule B

March 1, 1952 to March 31, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-R235 on the basis of man shifts of work.

Man Shifts - Company	1705
Man Shifts - I-DMA-R2	157
Man Shifts - Idm-R235	97
Total Man Shifts	1959

		Labor	Supplies	Other	Total
Camp Yard	$	39.88	120.80	2.43	162.58
Boarding House				351.58	351.58
Dwellings		155.95	78.28	11.56	275.59
Truck			231.04		231.04
Water System		79.69	11.17	4.87	95.73
Roads					
Caterpillar		79.69	29.56	4.96	114.11
Camp Power			4.25	505.41	509.66
General Supervision		561.00	10.29	24.80	596.09
Mine Office		728.14	219.11	32.76	980.01
Surveying		822.00	58.20	50.19	930.39
Total	$	2,486.52	762.20	988.06	4,236.58
97/1959 for Idm-R235		123.11	37.74	48.92	209.77

Idm-[illegible]

FORM MV-104

Schedule C

March 1, 1952 to March 31, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-[illegible] on the basis of tons of material handled.

Tons Ore - Akron	1[illegible]
Tons Waste - Akron	5[illegible]
Tons Ore - Erie	4[illegible]
Tons Waste - Erie	21[illegible]
Tons Waste I-DMA-[illegible]	31[illegible]
Tons Waste Idm-[illegible]	220
Total Tons	[illegible]

		Labor	Supplies	Other	Total
Shop	$	1,1[illegible].47	6[illegible].26	7[illegible].20	1,856.[illegible]
Mine Lamps		39.[illegible]	25.00	2.45	67.28
Warehouse		212.51		12.97	225.48
Direct Supervision		1,268.40		77.45	1,345.85
Total	$	2,70[illegible].2[illegible]	627.26	165.06	3,485.54
220/[illegible]		15[illegible].0[illegible]	35.52	9.35	197.95

MF-104
(August 1951)

Budget Bureau No. 42-R1036.2.
Approval Expires 6-30-52.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

Contract No.
Idm-E 235

Name of Operator Callahan Zinc-Lead Company
Docket No. DMA 1225X
Total Contract Amount $ 30,610.00
Government Participation: 50 % Amount, $ 15,305.00
Distribution of Expenditures for Month of January 23, 1952 to February 29, 1952

STRATEGIC AND CRITICAL MINERAL EXPLORATION PROGRAM
OPERATOR'S MONTHLY PROGRESS REPORT

Operators are to submit monthly reports to the designated field representative of the Defense Minerals Administration. Reports are to be submitted in quadruplicate prior to the 15th day of the month following the reporting period.

Narrative.—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered is to be furnished.

Maps.—Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

Cost Accounts.—All applicable parts of this form are to be filled in. This report will form the basis for payments of the Government's participating share of expenses. Audits of accounts may be made from time to time.

CERTIFICATION

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Callahan Zinc-Lead Company
(Name of Company)

By James A. Flynn
(Signature of Authorized Official)

3/15/52
(Date)

Ass't Superintendent
(Title)

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

16—64068-3

MONTHLY SUMMARY COST STATEMENT

List as Shown on Exhibits Attached to Contract

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only		
				Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
1. Fixtures and Improvements:						
(a) Facilities						
(b) Buildings						
(c) Fixtures						
2. Operating Equipment:						
(a) Purchased[1]						
(b) Rented[2]						
(c) Furnished by operator						
See list below	62.50		62.50	62.50		62.50
3. Rehabilitation and Repairs:						
(a) Facilities						
(b) Buildings						
(c) Installations						

MONTHLY SUMMARY COST STATEMENT—Continued

Item	Monthly Total	Totals Previously Reported	Totals to Date	For Government Use Only: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(d) Fixtures						
4. Labor[3]	1,562.63		1,562.63	1562.63		1562.63
5. Supervision	121.14		121.14	121.14		121.14
6. Supplies						
(a) Timber						
(b) Explosives	173.64		173.64	173.64		173.64
(c) Repair Parts	148.77		148.77	148.77		148.77
(d) Other	804.54		804.54	804.54		804.54
7. Power	201.42		201.42	201.42		201.42
8. Transportation						
9. Insurance						
(a) Fire						
(b) Public Liability						
(c) Workmen's Compensation	36.80		36.80	36.80		36.80
S S Taxes	75.78		75.78	75.78		75.78
10. Contract Work						
11. Other (specify)						
Bd. House Subsidy	7.54		7.54	7.54		7.54
Total	3,194.76		3,194.76	3194.76		3194.76
Deletions						
Adjusted totals						
Totals previously reported						
Totals to date	3,194.76			3194.76		

[1] Enter amount paid during month toward total purchase price.
[2] Payments for rental of equipment or prorated depreciation on equipment owned by contractor.
[3] Submit copy of the Social Security form filed under the Old Age Insurance system showing complete wage and salary data or furnish copy of payroll sheet giving same data.

NOTE.—Indicate that portion of supervisory, office, and engineering salaries that is chargeable to this project.

FOR GOVERNMENT USE ONLY

Checked by
Entered by
Approved by C. M. Harrer
Amount approved for payment $1597.38 $1597.38
Remarks

2.(c)

2 Mine Cars, 18 cu.ft.	8.50
1 Fan, 10 Hp	10.00
2 Air Drills	28.00
1 Dodge Truck	13.00
1 Air Pump	3.00
	62.50

16—64068-3

EXPLORATION UNIT COST AND PROGRESS REPORT FOR MONTH OF 1/23/52 to 2/29/52

(Supply Data Below Applicable Only to Your Operations)

Item	Costs					Progress [4]				
	Wages [1] and salaries	Equipment [2]	Supplies	Other [3]	Total	Unit	Units this month	Units previously reported	Units to date	Units authorized by contract (Exhibit A)
Drifting						ft.				750
Crosscutting										
Raising	1,683.77	62.50	1,126.95	321.54	3,194.76	ft.	28		28	120
Shafts										
Winzes										
Drill holes										
Overburden										
Rehabilitation and preparation										
Geology and geophysics										
Trenching										
Sampling and assaying										
Roads and trails										
Test pits										
Other (specify)										
Totals	1,683.77	62.50	1,126.95	321.54	3,194.76		28		28	870

[1] Prorate supervisory, engineering, and office salaries in proportion to man-shifts of direct labor.
[2] Prorate charges for equipment that is not exclusively for one type of job (such as compressors) against authorized units of work in each category.
[3] Where entries in the "Other" column (above) are more than 25 percent of the total expenditures, a breakdown of this item should be made.
[4] Specify whether feet, cubic feet, acres, miles, etc.

16—64068-3 U. S. GOVERNMENT PRINTING OFFICE

Idm-E235

Payroll for Period January 23, 1952 to February 29, 1952

Direct Labor					
Name	Occupation	Man Shifts *	Rate	Gross Earnings	FOA SUI & FUI
Dwayne Gordon	Piecework Miner	22	$ 13.10	$ 283.36	$ 12.75
W. Richardson	" "	22	"	283.36	12.75
W. N. Monson	" "	8	"	104.80	4.72
Ray Hicks	" "	9	"	117.90	5.31
V. W. Washburn	Shopman	11	13.76	153.49	6.91
Dwayne Gordon	Piecework Miner	8	12.82	102.56	4.61
W. Richardson	" "	8	12.82	102.56	4.61
Sub-total		88		1,148.03	51.66
Indirect Prorated Labor					
C. Murdie	Compressor Opr.	10	11.84	121.52	5.47
Dan Keenan	" "	12	11.84	137.69	6.20
Ralph Stitzer	Engineer	3		37.51	1.69
Louella Flynn	Clerk	3	10.56	24.43	1.10
Stuart Wahl	Electrician	2	13.76	23.47	1.06
Elmer Wahl	Shopman	4	13.76	58.30	2.62
George Gaden	Clerk	1	10.56	11.68	.53
Sub-total		35		414.60	18.67
Supervision Prorated					
J. E. Dunn	Superintendent	2		28.30	1.27
Ora Statler	Mine Foreman	6		92.84	4.18
Sub-total		8		121.14	5.45
GRAND TOTAL		131		$ 1,683.77	$ 75.78

* Correct to nearest man shift only.

Idm-E235

FORM MF-104

Schedule A

January 23, 1952 to February 29, 1952

Indirect Mining Costs of the Erie Operation showing portion chargeable to Idm-E235 on the basis of tons of material handled.

January, 1952

Tons - Company	384
Tons - Idm-E235	20
Total Tons	404

	Labor	Supplies	Other	Total
Tramming	$			
Compressed Air & Timber Framing	388.15	479.69	26.51	894.35
Tunnel Maintenance	76.92	51.10	5.25	133.27
Erie Mine Power			354.78	354.78
Mine Lamps		5.61		5.61
Total	465.07	536.40	386.54	1,388.01
20/404 for Idm-E235	23.02	26.55	19.14	68.71

February, 1952

Tons - Company	534
Tons - Idm-E235	302
Total Tons	836

	Labor	Supplies	Other	Total
Tramming				
Compressed Air & Timber Framing	615.36	47.92	41.53	704.81
Tunnel Maintenance	38.46	43.40	2.60	84.46
Erie Mine Power			441.20	441.20
Mine Lamps		5.86		5.86
Total	653.82	97.18	485.33	1,236.33
302/836 for Idm-E235	236.19	35.11	175.32	446.62

Idm-E235

FORM MF-104

Schedule B

January 23, 1952 to February 29, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-E235 on the basis of man shifts of work.

January, 1952

Man Shifts - Company	1659
Man Shifts - I-DMA-E2	218
Man Shifts - Idm-E235	16
Total	1893

	Labor	Supplies	Other	Total
Camp Yard	$ 97.09	278.01	6.37	381.47
Boarding House			153.10	153.10
Dwellings	69.35	186.62	4.55	260.52
Truck	38.46	215.17	2.52	256.15
Water System	110.96	1.57	7.27	119.80
Roads	152.57		10.01	162.58
Caterpillar	110.96	363.18	7.27	481.41
Power			436.16	436.16
General Supervision	551.00		24.80	575.80
Mine Office	676.90	204.15	37.51	918.56
Surveying	822.00	4.64	55.89	882.53
Total	2,629.29	1,253.34	745.45	4,628.08
16/1893 for Idm-E235	22.22 ✓	10.59	6.30	39.11

February, 1952

Man Shifts - Company	1685
Man Shifts - I-DMA-E2	180
Man Shifts - Idm-E235	72
Total	1937

	Labor	Supplies	Other	Total
Camp Yard	$ 97.02	304.24	6.55	407.81
Boarding House			166.40	166.40
Dwellings	166.32	78.65	11.22	256.19
Truck		176.45		176.45
Water System	41.58		2.81	44.39
Roads				
Caterpillar	97.02	173.05	6.55	276.62
Camp Power			559.37	559.37
General Supervision	636.00		28.62	664.62
Mine Office	503.40	201.65	22.65	727.70
Surveying	822.00	39.39	55.48	916.87
Total	2,363.34	973.43	859.65	4,196.42
72/1937 for Idm-E235	87.85 ✓	36.18	31.95	155.98

Idm-E235

FORM MF-104

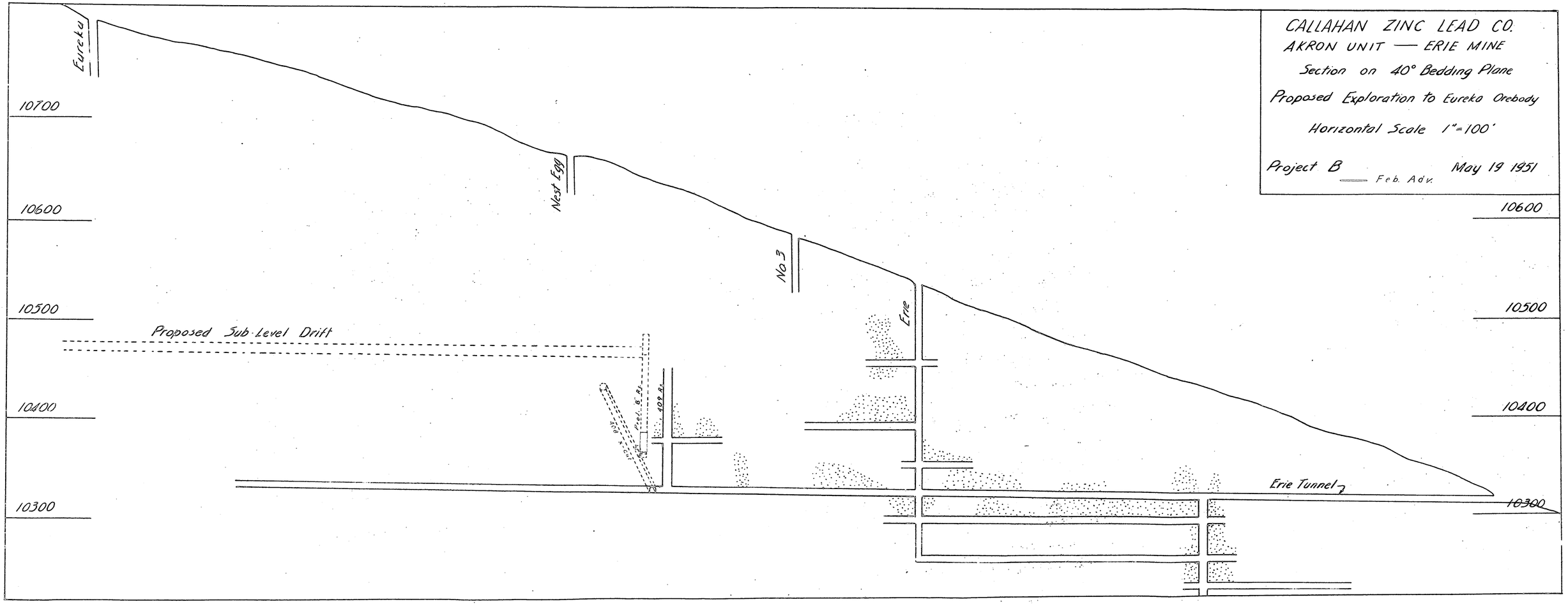
Schedule C

January 23, 1952 to February 29, 1952

Indirect Mining Costs of the Akron Operation showing portion chargeable to Idm-E235 on the basis of tons of material handled.

Tons Ore - Akron	1687
Tons Waste - Akron	839
Tons Ore - Erie	356
Tons Waste - Erie	178
Tons Waste - I-DMA-E2	1279
Tons Waste - Idm-E235	302
Total	4641

	Labor	Supplies	Other	Total
Shop	$ 896.00	338.87	60.48	1,295.35
Mine Lamps	56.00	25.00	3.76	84.76
Warehouse	179.48		12.12	191.60
Direct Supervision	1,426.64		96.30	1,522.94
Total	2,558.12	363.87	172.66	3,094.65
302/4641 for Idm-E235	166.46	23.68	11.24	201.38


CALLAHAN ZINC LEAD CO.
AKRON UNIT — ERIE MINE
Section on 40° Bedding Plane
Proposed Exploration to Eureka Orebody
Horizontal Scale 1"=100'
Project B
Feb. Adv.
May 19 1951
Eureka
Nest Egg
No 3
Erie
10700
10600
10500
10400
10300
Proposed Sub-Level Drift
Prev. B.R.
409 R.
409 X-cut
Erie Tunnel

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

500

February 24, 1954

PROJECT SUMMARY REPORT

By: J. W. Alt

1. Docket No. DMA-1225X (Lead-Zinc)
   Contract No. Idm-E235
   Property: Erie Mine
   Location: Gunnison County, Colorado

   Operator: Callahan Zinc-Lead Company, Inc.
   100 Park Avenue
   New York 17, New York

   Operator's Property Rights: Owner

2. Contract dated January 11, 1952 — To complete, 9 months

Work Authorized

The exploration work is to consist of an estimated 120 feet of inclined raise driven from the Erie 400-foot level to explore the unconformity between the Belden sediments and the Leadville limestone and from the top of the raise a drift is to be driven 750 feet south on mineralized beds to a point approximately 200 feet below the early Eureka workings.

120 feet of raising @ $40.00/ft.	$ 4,800.00
750 feet of drifting @ $33.20/ft.	24,900.00
Use allowance of equipment	910.00
Estimated total cost of the project	$30,610.00
Government participation @ 50 per cent	$15,305.00

Amendments

No. 1, dated January 11, 1952
Delete all operating equipment furnished by Operator and in lieu substitute a new list.

No. 2, dated January 11, 1952
Under "Labor and Supervision" add:

1 Warehouseman at $11.84 per shift
1 Superintendent at $690.30 per month

Work Completed

159 feet of drifting and crosscutting @ approximately $46.59/ft
119 feet of raising @approximately $70.03/ft.

Total cost of work completed	$15,420.45
Government participation @ 50%	$7,710.22

Work of the project was started on January 23, 1952 and continued through June 10, 1952, on which date the contract was recessed.

Contract terminated March 18, 1953

3. Audit Certificate - December 18, 1953

Total cost per MF-104	$15,741.42
Less proceeds from property disposition	100.00
	$15,641.42
Exception prior to this audit	220.97
Total accepted cost	$15,420.45
Government participation @50%	$ 7,710.22

4. Certification date - No certification to be made as there has been no discovery of ore.

5. Unit costs incurred during exploration greatly exceeded those estimated for the contract, and the remaining funds would have been insufficient to complete the work.

The 410 raise was driven an inclined distance of 119 feet. The lower 60 feet is unmineralized, silicified, Leadville limestone and the upper 59 feet is in a medium-grained quartzite of the Belden formation. The contact between the limestone and quartzite is sharp and pyrite bearing. Argilite is exposed in the extreme upper part of the raise.

Work on the 300-foot level consists of a short crosscut from the top of the 410 raise southwesterly to the limestone-quartzite contact, a short drift northwesterly along the contact to connect with the 409 raise, and a short drift southeasterly along the contact. The combined length of all drifts and crosscuts completed under the exploration contract is 159 feet.

The drifting accomplished under the program has been insufficient to establish the ore potential of the Belden quartzite-Leadville limestome contact in the area between the Erie and Eureka mines. Only 125 feet of the proposed 750 feet of drifting was completed and the favorable ground beneath the Eureka workings, the principal target, was not exposed.

J. W. Alt

J. W. Alt

☒ Audited

☐ Certified

WORK ANALYSIS SHEET - DMEA PROJECT

Analysis as of 12/9/54.
Incl. Voucher for June 1952.

☒ Actual Cost

☐ Agreed Unit Costs

Name Callahan Zinc-Lead Company, Inc.

Docket No. DMEA-1235X

State Colorado.

Commodity Lead-Zinc

Idn-E No. 235

OPERATION 49	AUTHORIZED Units	AUTHORIZED Cost	COMPLETED Units	COMPLETED Cost	NET COST
Drifting & Crosscutting 33.20	750'	$24,900.00	159'	$7,303.41	$7,253.41
Raising 40	120'	4,800.00	119'	8,217.04	8,167.04
Shafts		8,400.00			
Winzes					
Drilling (Specify) 16.5					
Surface Excavation					
Underground Excavation					
Roads and Trails					
Operating Equipment Purchased					
Surface Rehabilitation & Repairs					
Underground Rehabilitation					
New Building, Improvements, etc.					
Other (Specify) Equipment Not Allowance		910.00			
Totals		$30,610.00		$15,520.45	$15,420.45

Proceeds from Property Disposal $100.00

Prepared by W. P. Klugescheid

File Copy
Surname

J.W. Alt.
Griswold
Talbot
H.J. Brown

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

FEB 4 1955

Mr. Joseph T. Hall, President
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, New York

Re: Docket No. DMA-1225X (Lead-Zinc)
Contract No. Idm-X235

Dear Mr. Hall:

We are pleased to advise you that your performance of exploration work under the subject contract has been satisfactory to the Government, and the account relating thereto has been closed. The final audited and settled account shows:

Total allowable costs incurred	$15,420.45
Total Government contribution at 50 percent	$ 7,710.23

Your attention is called to the provision of the contract which requires you to keep and preserve your records and accounts of this transaction for a period of three years for possible future reference.

We sincerely regret that the work performed did not result in a certification of discovery or development under the provisions of the exploration contract. In the absence of such certification, the Government retains no claim or lien against the property or any production therefrom.

The Government is grateful for your participation in the exploration program of the Defense Minerals Exploration Administration.

JWAlt/er 2/3/55
Copy tO: Docket
Region III (2)
Admr R. File
Op. Committee
Base Metals
Mr. Bishop, USBM
Mr. Kiilsgaard, USGS
Mr. Jay Chambers
Chron.

Sincerely yours,

W. O. Mittendorf

Administrator

P.C.4.

SURNAME COPY

Selfridge
Johnson
Mitterling

200

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

FEB 19 1954

Mr. W. H. King
Executive Officer
Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-1225 (Lead-Zinc)
Callahan Zinc Lead Company, Inc.
Gunnison County, Colorado
Contract Idm-X235

Dear Mr. King:

This will acknowledge your memorandum dated February 8, 1954, in which you transmitted one copy of the operator's final report on the above-captioned docket.

It is noted in your memorandum that four copies of the operator's final report were received in your office, but that only one copy was available for the Washington files.

Since this final report consists of one page only it will be duplicated here in the Washington office. However, in the future, two copies of every final operator's report must be forwarded for distribution in Washington, regardless of the number of copies received by your office.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

Philip W. Guild
Member, Geological Survey (JHB)

REAdams/meb
2-18-54
cc to: Adm.Reading File
Mails & Files Br.
Oper.Comm.File

R.C.S.
2-19-54

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. W. H. King
Executive Officer
Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-1225 (Lead-Zinc)
Callahan Zinc Lead Company, Inc.
Gunnison County, Colorado
Contract Idm-E235

Dear Mr. King:

This will acknowledge your memorandum dated February 8, 1954, in which you transmitted one copy of the operator's final report on the above-captioned docket.

It is noted in your memorandum that four copies of the operator's final report were received in your office, but that only one copy was available for the Washington files.

It shall be appreciated if you will furnish an additional copy of this operator's final report, and, in the future, please forward two copies of all operators' final reports for distribution in the Washington office.

Sincerely yours,

Chairman, Operating Committee

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

Maps were put with cy of O. Rpt. which was typed by M.B.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

FEB 15 1954

February 8, 1954

Memorandum

To: Secretary to the Operating Committee, DMEA

From: DMEA Field Team, Region IV

Subject: Docket DMEA 1225X (Lead-Zinc), Contract Idm-E235, Callahan Zinc Lead Company, Inc., Gunnison County, Colorado

Enclosed are the following final reports pertaining to work performed under the subject contract:

1. The original of the operator's final report.

2. Original and three copies of the final geologic report by the U.S. Geological Survey.

3. Original and three copies of the final engineering report by the Bureau of Mines.

The contract was prepared on the old form which required the operator to submit only four copies of a final engineering and geologic report, therefore only one copy is available for the Washington files.

Reimbursement to the operator for the amount of the Government's participation in the costs of work performed during June 1952 in fact constituted final payment under the contract as no work was performed subsequent to that period.

The exploration work consisted of 119 feet of raise and 159 feet of drift at a total accepted cost of $15,420.45 in which the Government participated to the extent of 50% or an amount of $7,710.22. The total accepted cost reflects a deduction of $100.00 as the proceeds from the disposition of the jointly owned property purchased under the contract. The above amounts are verified by the audit report and certificate by the Contract Administration and Audit Division dated December 18, 1953 which was released to this office January 12, 1954. The exploration work did not result in a discovery of lead-zinc ore, therefore no certification of such is recommended.

W. H. King

W. H. King

A. H. Koschmann

A. H. Koschmann

Encls.

CALLAHAN ZINC-LEAD COMPANY, INC.
AKRON MINE
WHITEPINE, COLORADO

Jan. 29, 1954

RECEIVED
Mining Division
BUREAU OF MINES
Denver, Colorado

Mr. W. H. King
Executive Officer
DMEA Field Team, Region 5
224 New Custom House
Denver 2, Colorado

Dear Mr King;

I am enclosing a brief Geological and Engineering Report on Contract Idm-E235; Docket No. DMEA 1225X with maps.

I trust that this will complete your requirements regarding the above contract and regret that I have been so long delayed in completing it.

Very truly yours
Callahan Zinc-Lead Co.

J. E. Dunn
General Superintendent

CALLAHAN ZINC-LEAD COMPANY, INC.
AKRON MINE
WHITEPINE, COLORADO

FINAL REPORT

GB 2/18/54

Contract Idm-E235

Docket No. DMEA 1225x Erie Mine

The purpose of this project was to carry exploration south from the Erie Mine to a point below the Eureka shaft, a substantial early day producer. It was to follow the ore zone lying in the unconformity between the Pennsylvanian Beldon sediments and the Mississippian Leadville limestones. The zone to be explored was geologically identical to that mined in the area worked in the Erie Mine where ore averaged from 2 to 6 ft. wide with average values 8 % lead, 13% zinc and 31.5 oz's silver.

It was decided to raise from previous exploration work south on the Erie main level to a point 150 ft. up the dip of the bedding and drift south at that elevation rather than on the lower adit level where some previous exploration entered a shear zone that would not interfere at the higher elevation. As existing raises were too flat for transfers a new raise was driven from a foot wall cross-cut. This raise driven at a 60 degree angle advanced 119 ft. to reach the desired objective up the flat dipping contact. It was principally in Quartzite and the top station broke through the Quartzite into the overlaying Argillite. From this station a cross cut was driven to the footwall of the Quartzite and drifting started north and south. The drift north was to be connected with 410 raise to facilitate ventilation and was stopped at that point. Drifting south was started parallel to the Quartzite and reached a point 90 ft. south of the raise when work was discontinued.

The zone shows some mineralization in several stringers cut by drifting. These are narrow and erratic but were extremely high grade.

Ground in both raise and on the level was extremely hard and difficult to drill. Standard one use bits proved inadequate for the purpose and the job was switched to Tungsten Carbide Insert Steel when drifting started.

No assays.

The 119 ft. of raise and 159 ft. of drift completed did not show any mineable ore. It did show continued mineralization south along the contact zone and the project is still attractive from an exploration standpoint under stable market conditions for base metals.

Respectfully submitted,
Callahan Zinc-Lead Co.

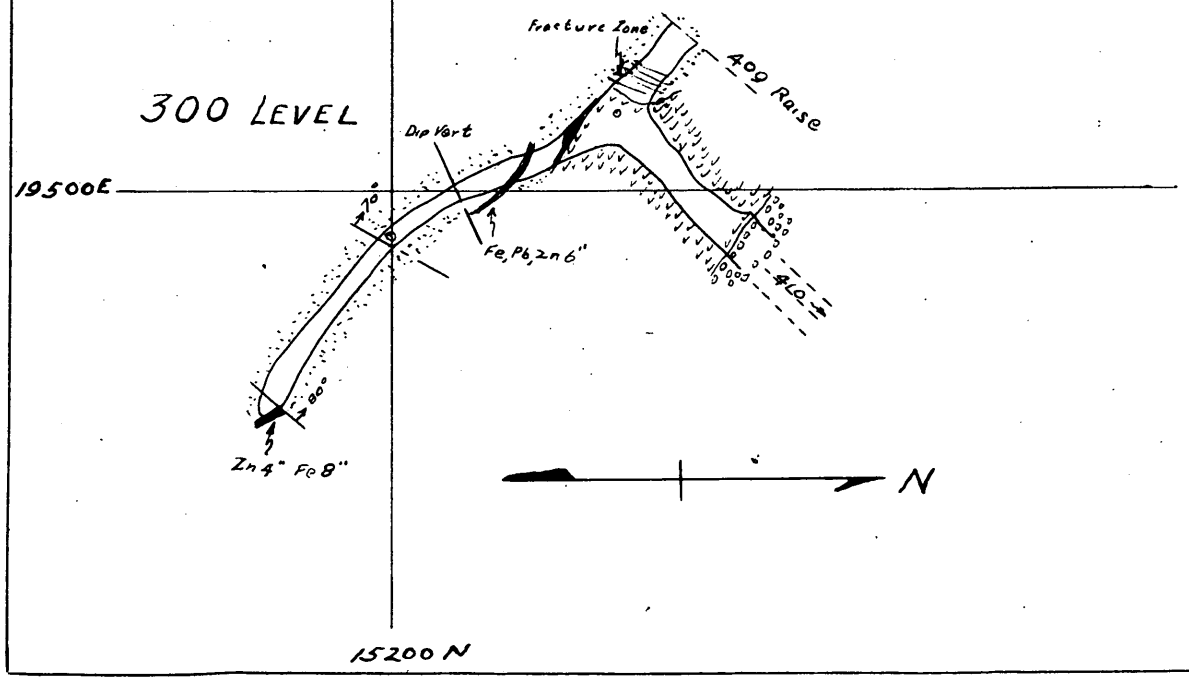
J. E. Dunn
General Superintendent

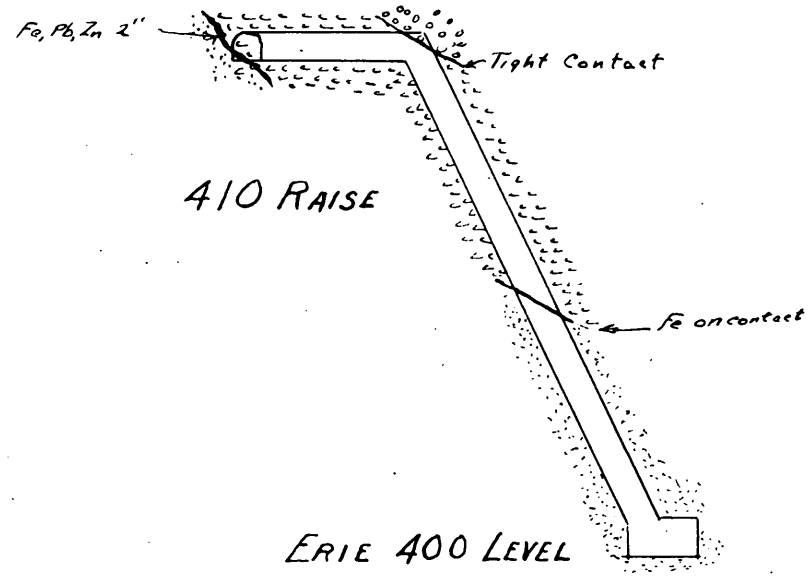
OPERATOR'S FINAL REPORT

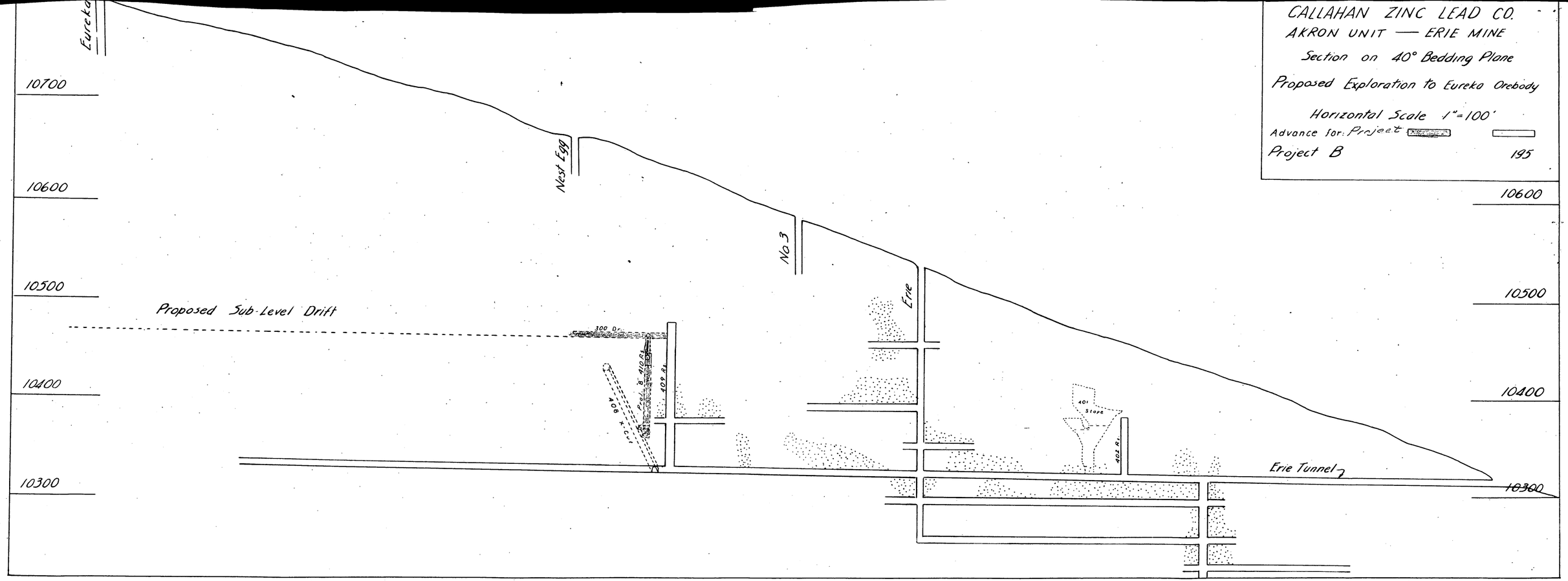
CALLAHAN ZINC-LEAD CO.
IDM E-235 ERIE MINE
GEOLOGY 410 RAISE AND 300 LEVEL
JANUARY 15, 1954 SCALE ∴ 1 IN = 40 FT

LEGEND

- Quartzite
- Argillite
- Limestone
- Faults
- Mineralization






CALLAHAN ZINC LEAD CO.
AKRON UNIT — ERIE MINE
Section on 40° Bedding Plane
Proposed Exploration to Eureka Orebody
Horizontal Scale 1"=100'
Advance for: Project
Project B
195
Eureka
10700
10600
10500
10400
10300
Nest Egg
No 3
Erie
Proposed Sub-Level Drift
300 Dr.
Fwd. @ 410 Rd.
409 Rd.
408 X Cut
401 Stope
402 Rd.
Erie Tunnel

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Mining Division
Date Rec'd
JUL 14 1953
BUREAU OF MINES
Denver, Colorado

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
July 14, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMA 1225X, Contract Idm-E235 (Lead-zinc), Callahan Zinc-Lead Company, Inc. (Erie mine), Gunnison County, Colorado

Submitted herewith are the original and eight copies of C. M. Harrer's final engineering report on the Erie mine project.

From the engineer's description of work completed under the contract and references therein to accompanying figure 2, I am unable to clearly follow the course of events from the start of the project operations to the termination.

It is presumed with receipt of this report and one from the geologist assigned, a final audit of the accounts will be made, and the contractor's representative, J. E. Dunn, will comply with the instructions in your letter of April 1, 1953, regarding disposition of property, final operator's reports, et cetera.

W. M. Traver

W. M. Traver

enclosures

WMT/pam

cc 8
E235
DMEA Chron.

Reviewed by
DMEA OPERATING COMMITTEE
2-19-54
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DOUGLAS McKAY, SECRETARY

DEFENSE MINERALS EXPLORATION ADMINISTRATION

REPORT OF EXAMINATION BY FIELD TEAM
REGION IV

FINAL ENGINEERING REPORT

DMA 1225X, Exploration Project Contract Idm-E235

Callahan Zinc-Lead Company, Inc.

Gunnison County, Colorado

Lead-zinc

C. M. Harrer, Mining Engineer
Bureau of Mines

July 14, 1953

Reviewed by
DMEA OPERATING COMMITTEE
2-19-54
(date)

DMA 1225X, Contract Idm-E235

CALLAHAN ZINC-LEAD COMPANY, INC.
GUNNISON COUNTY, COLORADO

CONTENTS

Final Engineering Report — Page

Summary and introduction 1
Location, history, production, and ownership 3
Work completed under the contract 4
Expenditures 5
Efficiency of operations 7
Equipment 7
Conclusions and recommendations 9

TABLES

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2. Operational costs under exploration contract Idm-E235. 6

ILLUSTRATIONS

Figure — Follows page

1. Location map, Erie mine, Callahan Zinc-Lead Company, Gunnison County, Colorado 3

2. Longitudinal section, Erie mine, Callahan Zinc-Lead Company, Gunnison County, Colorado . . . 4

3. Section C-C (Fig. 2) Erie mine, Callahan Zinc-Lead Company, Gunnison County, Colorado 4

DMA 1225X, Contract Idm-E235

CALLAHAN ZINC-LEAD COMPANY, INC.
GUNNISON COUNTY, COLORADO

FINAL ENGINEERING REPORT

By C. M. Harrer

SUMMARY AND INTRODUCTION

On January 11, 1952, exploration project contract Idm-E235 was activated between Callahan Zinc-Lead Company, Inc., of 100 Park Avenue, New York 17, N. Y., and the Defense Minerals Administration, to explore a mineralized structural contact, in a zone extending between the Erie and Eureka mines and about 200 feet below early Eureka mine workings, for lead-zinc ore. Exploration was started from the 400 level of the Erie mine. The properties are in the Tomichi Mining District, Gunnison County, Colo.

The contract was consummated in Washington, D. C., without field investigation. It provided a total of $30,610.00 to complete 120 feet of two-compartment raise from the Erie 400 level to the contact and 750 feet of drift southeast along the contact to a position under early Eureka mine workings. Government participation was 50 percent, or $15,305.00.

Work under the contract started January 23, 1952, and continued through June 10, 1952, when it was recessed. The contract called for completion of the exploration program by October 11, 1952. It was extended for 3 months to January 11, 1953, by a letter from the Executive Officer of the Region IV Field Team, dated July 30, 1952.

Authority for termination of the contract was given in a letter from the chairman of the Operating Committee, dated February 6, 1953.

The contract was terminated by mutual consent of Callahan Zinc-Lead Company, Inc., and the Government in document--"Termination of Exploration Project Contract by Agreement after Commencement but before Completion of the Work," dated March 18, 1953.

A total of 119 feet of raise was completed to the contact between the Belden (Pennsylvanian) formation and the Leadville limestone (Mississippian), and the contact was explored with 159 feet of drift. Total cost of the above work was $15,520.44--Government participation 50 percent, or $7,760.22. These costs do not include deductions for salvage and are subject to revision after final audit.

The work conformed to the terms of the contract and was performed according to good mining practice in hard ground. The costs incurred greatly exceeded estimates but were necessary and are not considered excessive under the conditions.

The contact between the Belden basal quartzite and the Leadville limestone is distinct. Evidence of mineralization is limited to spotty concentrations of pyrite with very little galena and does not indicate the presence of galena-sphalerite ore within the confines of exploration completed at the time of termination of the contract. Consequently, no certification of discovery is recommended.

LOCATION, HISTORY, PRODUCTION, AND OWNERSHIP

The subject exploration program is within the bounds of the contiguous group of patented mining claims Lelia Etta (Mineral Survey No. 2511), Sedalia (Mineral Survey No. 2512), Silver Bayonet (Mineral Survey No. 1942), Nest Egg (Mineral Survey No. 1555), Eureka (Mineral Survey No. 1574 A. M.), Lehigh (Mineral Survey No. 7956), and Erie (Mineral Survey No. 2070), owned by Callahan Zinc-Lead Company, Inc. They are on the west slope of the Sawatch Range, in sec. 2, T. 49 N., R. 5 E., and sec. 35, T. 50 N., R. 5 E., Tomichi Mining District, Gunnison County, Colo. (fig. 1), at altitudes between 10,600 and 11,000 feet. The property is about 1 mile southeast of the company's main Akron unit operations at Whitepine.

The Eureka and Nest Egg claims were located in 1879 and the Erie in 1882. The Eureka and Nest Egg group of claims had an estimated production of 800 tons of silver-bearing anglesite, cerussite, and galena ore. The adjoining group of claims comprising the Erie mine had an estimated production of 4,000 tons of lead-zinc ore.

DESCRIPTION OF THE DEPOSITS

The Eureka and Eureka-Nest Egg group of mining claims, site of the subject exploration program, have been exploited through a number of shallow shafts near the upper part of the Ouray (Devonian) limestone. 1/

1/ Crawford, R. D., Geology and Ore Deposits of the Monarch and Tomichi Mining Districts, Colorado, Colorado Geological Survey Bulletin 4, 1913.

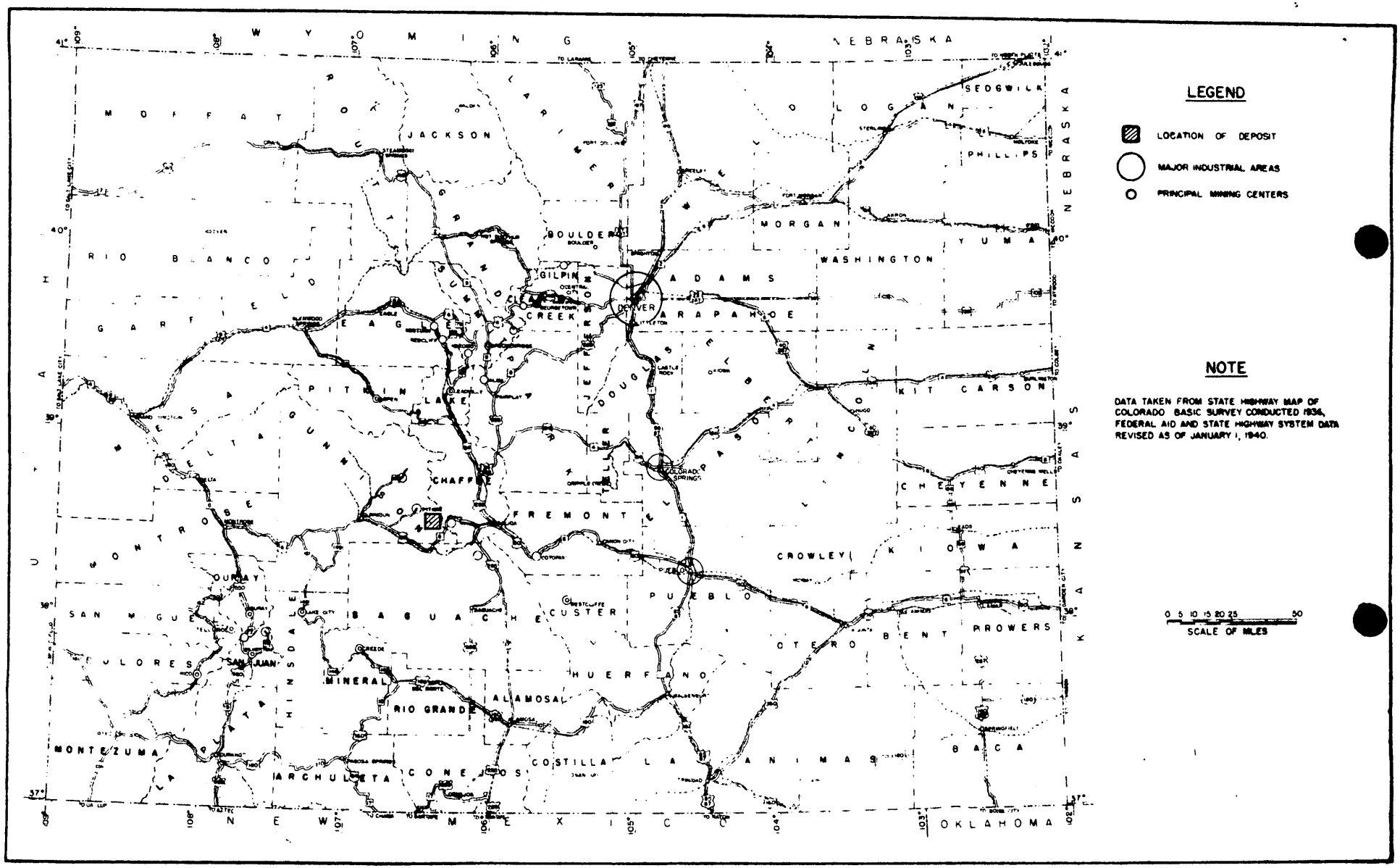


FIGURE 1. - LOCATION MAP, ERIE MINE, CALLAHAN ZINC-LEAD COMPANY, GUNNISON COUNTY, COLO. (DMEA 1225X, CONTRACT IDM-E235).

Underground workings have been inaccessible for many years, and very little is known of the extent of underground development other than that they extended through the oxide zone estimated at less than 100 feet.

Ore was said to have been principally argentiferous anglesite and cerussite in the oxide zone, with galena in the lower horizon.

Intent of the exploration program was to explore the unconformable contact (fig. 2 and 3) between the Belden (Pennsylvanian) basal quartzite and the Leadville (Mississippian) limestone to a position under the old Eureka shaft. The contact, as exposed in 159 feet of drift, is distinct. Evidence of mineralization is limited to spotty concentrations of pyrite with very little galena and does not indicate the presence of galena-sphalerite ore within the confines of exploration completed at the time of termination of the project. The remaining possiblities of finding ore appear strictly "wild cat."

WORK COMPLETED UNDER THE CONTRACT

The subject contract was signed on January 11, 1952, in Washington, D. C. Work under the contract was started January 23 and continued through June 10, 1952, when it was permanently recessed. The completion date of October 11, 1952, was extended to January 11, 1953, by letter from the Executive Officer of the Region IV Field Team, dated July 30, 1952. The contract was terminated by mutual consent on March 18, 1953.

Work started from the sill location of the 410 exploration raise (fig. 2) in the 408 crosscut of the Erie mine 400 level on January 23,

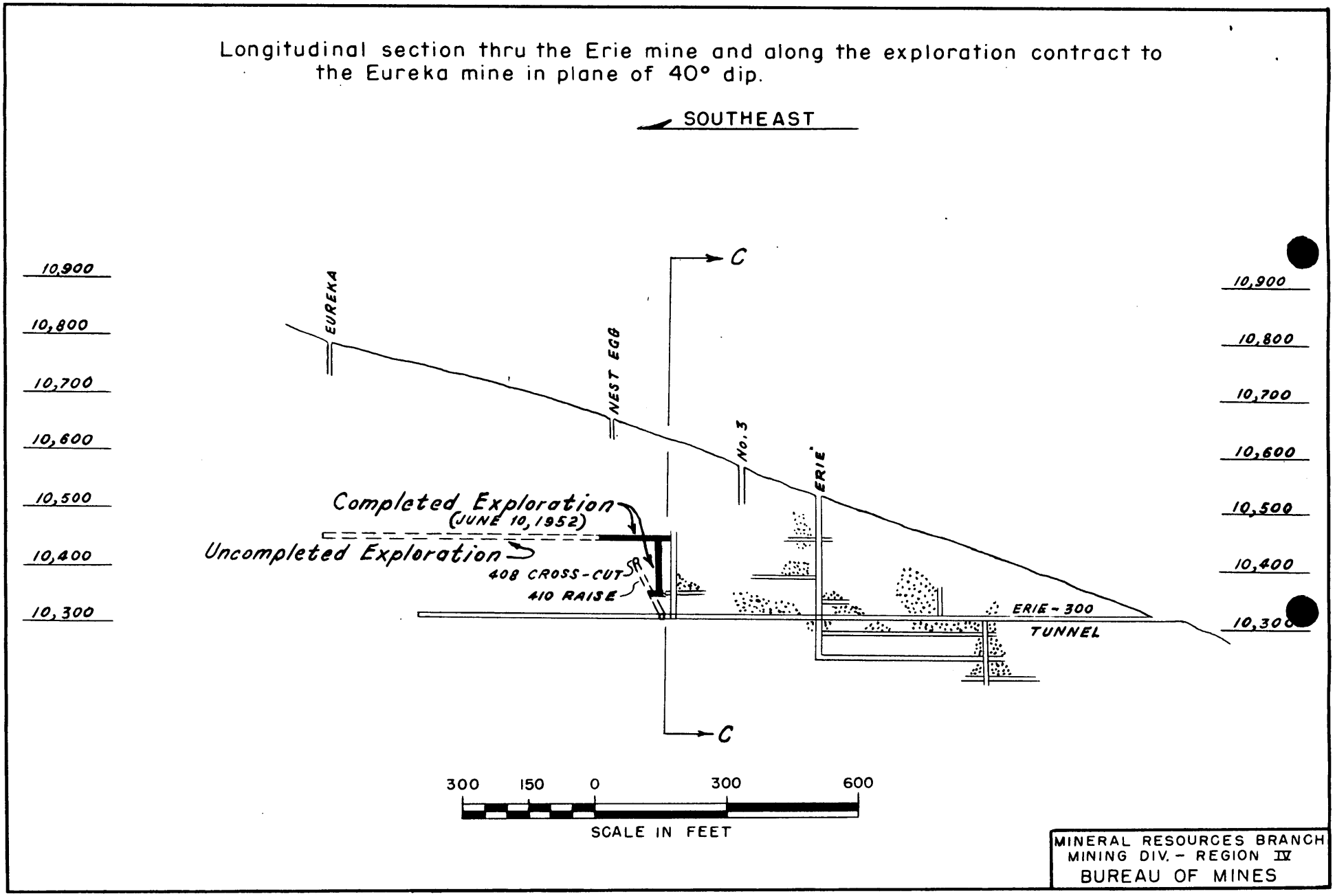


FIGURE 2 - LONGITUDINAL SECTION, ERIE MINE, CALLAHAN ZINC-LEAD CO. GUNNISON COUNTY, COLO.
(DMEA 1225X, Idm E235)

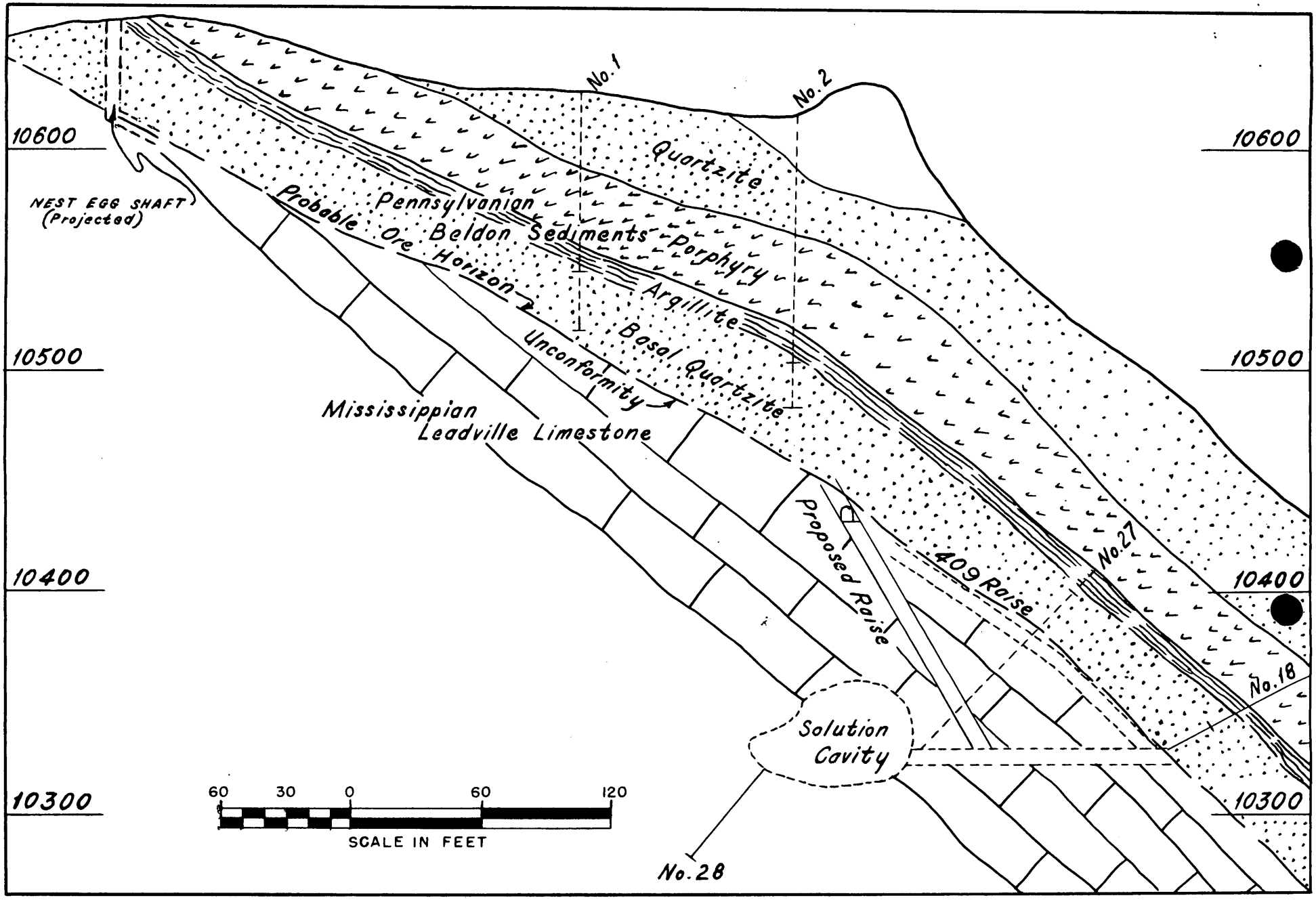


FIGURE 3 - SECTION C-C (FIG. 2) ERIE MINE, CALLAHAN ZINC-LEAD CO., GUNNISON COUNTY, COLO.
(DMEA 1225X, Idm E235)

1952. The raise was advanced 119 feet to the contact between the Belden (Pennsylvanian) basal quartzite and the Leadville (Mississippian) limestone during April 1952, at an average cost of $69.82* per foot. The raise has a 5- by 9-foot breaking section which accommodates two-compartment stull timbering to furnish a 5- by 5-foot manway and 3- by 5-foot chute.

The above-mentioned contact was then explored to the southeast, from the top of the raise, with 159 feet of 7- by 5-foot cross section untimbered drift at an average cost of $45.36* per foot. This is now known as the Erie 300 level. All work on the project stopped June 10, 1952.

Summary of Work Completed

Name	Description	Advance in feet: Actual	Advance in feet: Allowed by contract
Erie 410 raise	5-foot by 9-foot two-compartment	119	120
Erie 300 level	7-foot by 5-foot untimbered drift	159	750

*These costs do not include salvage deductions and are subject to revision after final audit.

EXPENDITURES

The cost of completing the exploration project from its start on January 23, 1952, to its termination on June 10, 1952, were approved for a total of $15,520.45, subject to final audit.

TABLE 1. - Costs incurred under exploration contract Idm-E235

Distribution	Gross costs* Raise	Gross costs* Drift
Labor and supervision		
Labor**	$4,434.16	$4,251.25
Supervision	306.55	172.11
Operating materials and supplies		
Timber	296.11	---
Explosives	455.97	564.08
Pipe and fittings	101.22	38.12
Rail	---	4.96
Power	503.86	577.33
Other**	1,443.97	383.35
Operating equipment		
Depreciation	217.18	174.65
Purchased	---	---
Miscellaneous		
Payroll taxes (social security)	178.40	147.01
Compensation insurance	94.22	105.40
Boarding house subsidy	29.10	17.96
Repairs to equipment	247.54	775.95
	$8,308.28	$7,212.17

*Subject to final audit.
**Disallowance of $75.84 for June 1952 deducted 50/50.

TABLE 2. - Operational costs under exploration contract Idm-E235

Operation	Approved costs	Percent of total cost	Feet of advance	Cost per foot
Raising	$ 8,308.28	53.5	119	$69.82-
Drifting	7,212.17	46.5	159	45.36-
	$15,520.45	100.0		

*These costs do not include deductions for salvage and are subject to revision after final audit.

EFFICIENCY OF OPERATIONS

Exploration operations were conducted according to good mining practice by a large and well-established mining organization, the Callahan Zinc-Lead Company, Inc. Employees worked under the incentive of the "Butte" system of contract payments. Supervision included the services of an engineer and accountant.

Operations were under very hard rock conditions. The property was difficultly accessible in winter months due to heavy snowfall and subzero weather. Exploration was located about 1,300 feet in from the adit portal.

Actual costs greatly exceeded the estimated costs of unit operations, as shown:

Summary of Exploration Costs*

Name	Description	Footage	**Costs per foot Actual	Estimated
Erie 410 raise	5- by 9-foot cross section two-compartment raise	119	$69.82	$42.17
Erie 300 level	7- by 5-foot cross section untimbered drift	159	$45.36	$34.07

*These costs do not include deductions for salvage and are subject to revision after final audit.

**All costs include equipment allowance. Equipment allowance for estimated costs is assumed as 2 months for raising and 5 months for drifting.

EQUIPMENT

Callahan Zinc-Lead Company, Inc., furnished all necessary equipment for the project, and rental (depreciation) for its use was included as a cost of the project. The amount of equipment used varied from month to month but reached a maximum during May 1952, as follows:

Item	Monthly Depreciation Allowance
1 air locomotive	$ 23.00
4 mine cars	17.00
1 ventilator fan, 10 hp	10.00
1 air hoist, 1 ton	13.00
2 air drills	28.00
1 drill column, complete	1.00
1 Dodge enclosed truck	13.00
1 air-operated pump	3.00
Total	$108.00

The expenses for compressed air, electric power, and maintenance, encluding labor, were prorated on a tonnage basis with other units of the total Akron operation.

Supplies, totaling $1,496.48, were purchased by Callahan Zinc-Lead Company, Inc., for the Erie project and have some salvage value which should be determined.

Following is an inventory of supplies purchased for the Erie contract:

286 feet of three-cord No. 2 electric power cable, new	$ 114.40
450 feet of three-cord No. 4 electric power cable, new	390.15
200 feet of two-cord No. 2 electric wire, new	102.00
25 feet of 12-inch, flexible, spiral wire reinforced ventilation tubing, new	51.62
Two 50-foot lengths of 1-inch rubber compressed air hose with couplings, new	69.20
One 50-foot length of 1/2-inch rubber water hose with couplings, new	21.35
One compressed air line oiler, new	6.00

149 feet of 2-inch compressed air line, new	$ 58.21
149 feet of 1-inch water line, new	23.22
Miscellaneous small tools such as pipe wrenches, picks, shovels, saws, axes, levels and hammers, soldering iron, new	89.73
Miscellaneous pipe fittings (tees, nipples, couplins, spuds, valves, et cetera), new	43.63
Sandvik Coromant drill steel, new	522.01
Thirteen pairs of fish plates for 20-pound rail, new	4.96
	$1,496.48

Fifty percent of the salvage value should be credited to the contract account.

CONCLUSIONS AND RECOMMENDATIONS

Unit costs incurred during exploration greatly exceeded those estimated for the contract, and the remaining funds would have been insufficient to complete the work.

The original project was a "wild-cat" venture with the chances of finding important lead-zinc ore bodies doubtful and difficult to evaluate.

The quartzite-limestone contact was distinct but weakly mineralized with spotty concentrations of pyrite and very little galena. It does not indicate the presence of galena-sphalerite ore within the confines of exploration completed to termination of the contract, and, consequently, no certification of discovery is recommended.

Additional exploration or development, financed either privately or with Government assistance, is not considered warranted.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

200 New Customhouse
Denver 2, Colorado

Mining Division
Date Rec'd
OCT 9 - 1953
BUREAU OF MINES
Denver, Colorado

October 9, 1953

Memorandum

To: DMEA Field Team, Region IV

From: A. H. Koschmann

Subject: Exploration contract Idm-E235
Erie Mine, Gunnison County, Colorado
Callahan Zinc-Lead Co., Inc., N. Y.

Dmea-1225

Attached are 10 copies of the final geologic report by E. N. Harshman covering exploration contract Idm-E235 (Callahan Zinc-Lead Co., Inc., 100 Park Ave., New York 17, N. Y.).

Work authorized under the contract has not been completed but the contract was terminated by mutual consent of the company and the Government on March 18, 1953.

Although some pyrite, galena, and sphalerite ~~is~~ are exposed underground in isolated stringers, no ore is present in the area explored. Harshman, therefore, recommends that a certificate of discovery not be issued.

I concur in this recommendation.

A. H. Koschmann

A. H. Koschmann
Supervising Geologist
Colorado-Wyoming

Enclosures (10)

Reviewed by
DMEA OPERATING COMMITTEE
2-19-54
(date)

Received
15 1954

CALLAHAN ZINC-LEAD COMPANY, INC.

ERIE MINE

GUNNISON COUNTY, COLORADO

DMA DOCKET 1225X

Final Geologic Report

By E. N. Harshman
U. S. Geological Survey

Reviewed by
DMEA OPERATING COMMITTEE
2-19-54
(date)

ERIE MINE
GUNNISON COUNTY, COLORADO

INTRODUCTION

Exploration project contract Idm-E235 between the Callahan Zinc-Lead Company, Inc., 100 Park Avenue, New York 17, New York, and the Defense Minerals Administration, was signed on January 11, 1952. This contract authorized exploration for lead-zinc ore along the unconformable contact between the Pennsylvanian Belden sediments and the Mississippian Leadville limestone in the area between the Erie and the Eureka mines.

The contract, consummated in Washington, D. C., provided for 120 feet of raise from the 408 crosscut and 750 feet of drift from the top of the raise southeasterly along the Belden-Leadville contact. The estimated cost of the project was $30,610.00.

Work started on January 23, 1952, and continued through June 10, 1952, on which date the contract was recessed. The contract was terminated, by mutual consent of the company and the Government, on March 18, 1953.

Under the contract $15,520.44 was spent to complete 119 feet of raise and 159 feet of combined crosscut and drift.

Although some pyrite, galena, and sphalerite is exposed in isolated stringers along the contact, no ore is present in the area exposed. Certification of a discovery is not recommended.

GEOLOGY

The raise and 300-foot level workings, driven with Government assistance, are not accessible due to bad air. The following brief geologic description is based on company records and monthly examination reports of the U. S. Bureau of Mines.

Both replacement deposits and fissure veins have been mined in the Tomichi area. Mineralogically the ore from the two types of deposits is similar. Below the shallow oxidized zone, it consists principally of galena, sphalerite, pyrite, silver, and gold. The oxidized zone rarely extends to a depth of over 100 feet and is characterized by cerusite, calamine, and high silver.

In the vicinity of the Erie mine the Belden sediments - Leadville limestone contact has been explored by a number of shallow shafts and short adits (figure 1). Some production of lead and silver is reported from the Eureka, Nest Egg, and Erie mines. The objective of the exploration program was to explore the Belden-Leadville contact for the downward extension of the ore shoots mined from the shallow workings shown on Figure 1, particularly in the area of the Eureka shaft.

The 410 raise was driven an inclined distance of 119 feet. The lower 60 feet is in unmineralized, silicified, Leadville limestone and the upper 59 feet is in a medium-grained quartzite of the Belden formation. The contact between the limestone and quartzite is sharp and pyrite bearing. Argillite is exposed in the extreme upper part of the raise (figure 2).

Work on the 300-foot level consists of a short crosscut from the top of the 410raise southwesterly to the limestone-quartzite contact, a short drift northwesterly along the contact to connect with the 409 raise, and a short drift southeasterly along the contact (figure 2). The combined length of all drifts and crosscuts completed under the exploration contract is 159 feet.

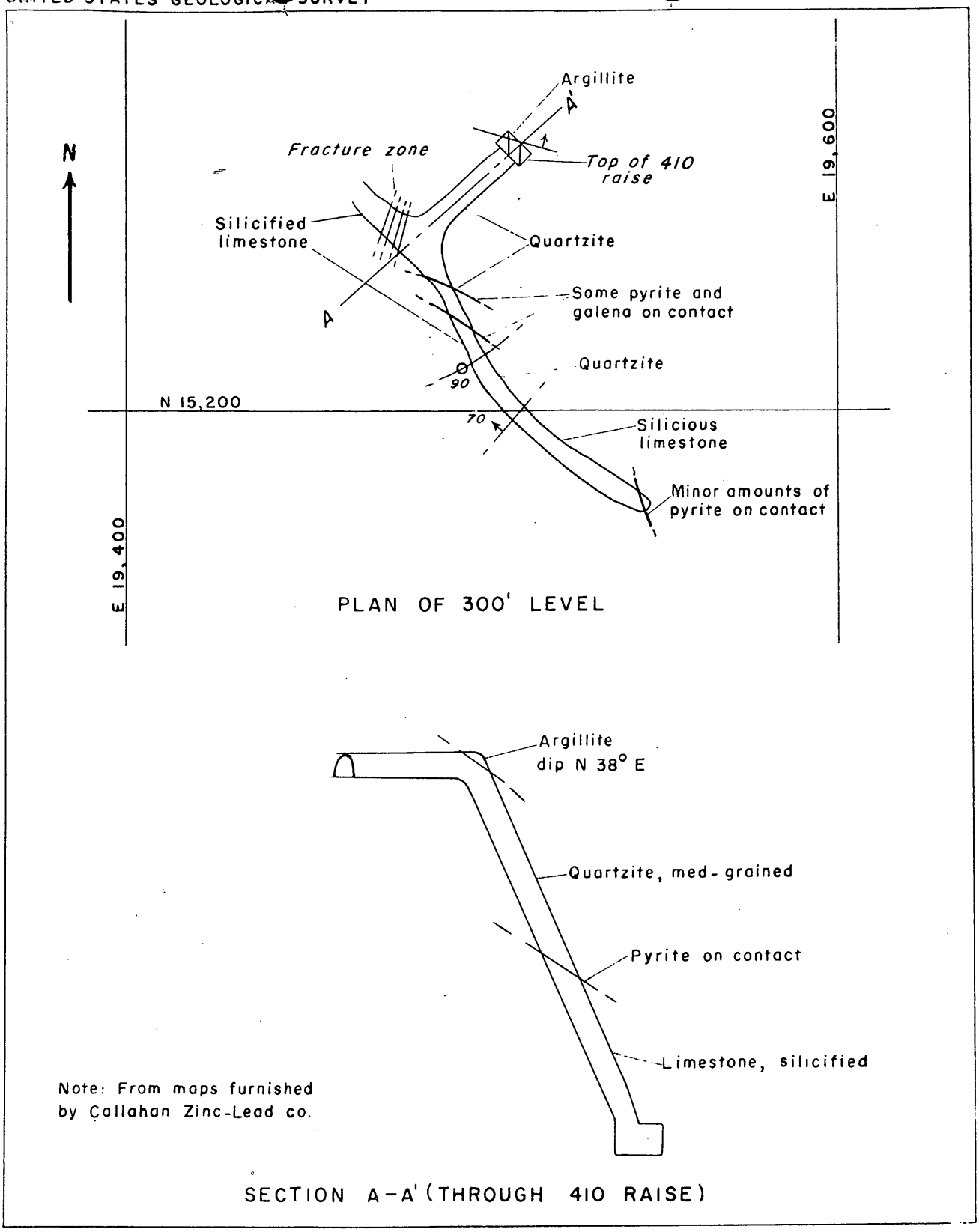
The contact exposed in the 300 feet level drift is sharp and has been the locus of spotty low grade pyrite, sphalerite, and galena deposition. Small faults and minor shear zones offset the contact. The

The quartzine is dense, medium-grained, and extremely hard; the limestone is dense, fine-grained, and silicious.

The drifting accomplished under the program has been insufficient to establish the ore potential of the Belden quartzite-Leadville limestone contact in the area between the Erie and Eureka mines. Only 125 feet of the proposed 750 feet of drifting was completed and the favorable ground beneath the Eureka workings, the principal target, was not explored.

No ore was discovered by the limited exploration accomplished under contract Idm-E235 and certification of a discovery is not recommended.

Although exploration from the 410 raise of the Erie mine has not determined the ore potential of the Belden quartzite-Leadville limestone contact, termination of the contract by mutual agreement indicates an unwillingness by both parties to continue exploration. No further exploration is therefore recommended.



E. N. Harshman Sept. 1953.

FIGURE 2.-PLAN AND SECTION 300' LEVEL, ERIE MINE.

40 0 40 80 Feet

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

December 24, 1953

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Dear Mr. Chambers:

I am attaching hereto the following corrected pages of the subject report: Audit Certificate, Page 3 and the last page.

For some unaccountable reason the amount of liquidation settlement was shown as $50.00 instead of $100.00. This was caught immediately after the report was mailed, but due to stenographic shortage here in the office, it was impossible to get this correction out sooner.

Sincerely,

T. M. Brading
Auditor

Enclosures

CMH:ld

cub
chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 28 1953

224 New Customhouse
Denver 2, Colorado

December 22, 1953

Memorandum

To: Secretary, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMEA 1225X (Lead-Zinc), Contract Idm-E235, Callahan Zinc-Lead Company, Erie Mine, Gunnison County, Colorado

Enclosed are two sets of data relevant to the Government's acceptance of reimbursement for its interests in the property acquired under the subject contract which includes a formal release of the interests in the property.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

December 22, 1953

Mr. E. A. Salo, Treasurer
Callahan Zine-Lead Company
100 Park Avenue
New York 17, New York

Re: Docket No. DMA 1225X
Contract Idm-E235

Dear Mr. Salo:

Receipt is acknowledged of your letter of December 17, 1953 by which you forwarded a check drawn to the Treasurer of the United States in the amount of $50.00 covering the liquidation of the Government's interests in property acquired under contract Idm-E235.

Enclosed for your records is a disposal of Government's Interest in Property which has been executed by the Executive Officer, DMEA Field Team, Region IV, for the Government.

Yours very truly,

/s/ W. H. King

W. H. King
Executive Officer, DMEA
Field Team, Region IV

Enclosure

JWT:fwo

cc WMTraver
Contract
Chron
AHKoschmann
JWTownsend
Secretary to the Operating Committee (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

December 21, 1953

Mr. Jay L. Chambers, Chief
Contract Administration and Audit Division
Defense Minerals Exploration Administration
Interior Building
Washington 25, D. C.

Dear Mr. Chambers:

Enclosed are three copies of Audit Certificate and two copies of Audit Report for Callahan Zinc-Lead Company, pertaining to Exploration Contract Idm-E235, Docket DMEA 1225X.

Subject report has been held since August awaiting word from the operator covering bid on supplies and material.

In view of the fact the first audit on this contract was completed prior to the time we were detailing other supplies, after discussing the matter with Mr. King, it was decided that as long as I was going to be ~~sent~~ to White Pine it would be a good idea to complete the analysis so that any Government Equity in material and supplies would be protected.

Yours very truly,

T. H. Brading
Auditor

Enclosures

T.H.B.

sjb
cfrsm

Released 1/8/54
see Brading's folder

CALLAHAN ZINC-LEAD COMPANY, INC.
100 Park Avenue
New York 17, N. Y.

Defense Minerals Administration
RECEIVED
DEC 28 1953

December 17, 1953.

Mr. W. H. King
Executive Officer, DMEA
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Docket DMEA 1225X
Contract Idm-E235

Dear Mr. King:

In accordance with your letter of December 10th accepting our bid dated November 17th for the Government's interest in the unexpended portion of the materials and supplies acquired under the above contract, I am enclosing our check payable to the Treasurer of the United States for $50.00.

From your letter under acknowledgment, I understand that you will be sending us a formal release of the Government's interest in the property above mentioned.

Yours very truly,

CALLAHAN ZINC-LEAD COMPANY, INC.

/s/ E. A. Salo
Treasurer

Encl.

224 New Customhouse
Denver 2, Colorado

December 10, 1953

Mr. E. A. Cable, Treasurer
Callahan Zinc Lead Company, Inc.
100 Park Avenue
New York 17, New York

Re: Docket DMA 1225A
Contract IDm-8235

Dear Mr. Cable:

Consistent with the authority delegated to this office under Order No. 2084 from the Office of the Secretary, Department of the Interior, the United States of America acting through the Department of the Interior, Defense Minerals Exploration Administration, does hereby accept your bid dated November 17, 1953, in the amount of $50.00, for the Government's interest in the unexpended portion of the materials and supplies acquired under the contract.

Upon receipt of a check in the amount of $50.00 made payable to the Treasurer of the United States for the Government's interest, a formal release of the Government's interest in the property will be issued.

The check should be forwarded to Mr. [illegible] King, Executive Officer, Mexican Field Team, Region IV, 224 New Customhouse, Denver 2, Colorado.

Very truly yours,

W H King

[illegible] King
Executive Officer
Field Team, Region IV

[illegible]jp
cc Contract
Chron
[illegible]
[illegible]
[illegible]
[illegible]-104 (5)
[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
December 3, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: MMA 1225X, Contract Idm-R235 (Lead-zinc) Callahan Zinc-Lead Company, Inc. (Erie mine), Gunnison County, Colorado -- Disposal of property

Enclosed are the original and seven copies of my memorandum covering the disposal of property on the Callahan Zinc-Lead Company, Inc., contract Idm-R235.

In my opinion the contractor's bid should be accepted, although it appears low, for the following reasons:

1. The Government has not withheld any funds to use as a leverage in demanding competitive bids or other procedure.

2. The cost of taking possession, removal of, and disposition of the property would prove to be excessive and could not be accomplished before the summer of 1954 because of weather conditions.

3. Article 7 of this operator's contract, the old form, does not make the same certain special provisions incorporated in the revised form covering disposal of property, Article 11, which authorizes the Government to enter and take possession.

4. The actual salvage value of the property listed in the inventory is difficult to determine, and it is unlikely that more than the $50.00 bid, assumed to be for the Government's equity, could be realized.

The Mineral Resources Branch engineer's inventory of material purchased is attached. It does not correspond with the operator's inventory.

W.M. Traver

W. M. Traver

enclosure
WMT/kp
cc: 7, R235, Chron

Material Purchased Contract Idm-8835

Pipe:		
149 feet of 1-inch water line	$ 23.22	
149 feet of 2-inch air line	77.76	
25 feet of 12-inch flexible ventilation tubing	51.62	
		$ 152.60
Miscellaneous 1- and 2-inch pipe fittings: (elbows, tees, valves, bushings, nipples and unions, plugs, couplings, etc.)		57.91
Hand tools: (saws, axes, wrenches, levels, electric soldering unit, etc.)		85.34
Track:		
13 pairs of fish-plates		4.96
Wire:		
450 feet of #4, 3-cord, rubber-covered cable	390.15	
200 feet of #2, 2-cord electric wire	102.00	
286 feet of #2, 3-cord electric wire	114.40	
		606.55
Air and Water Hoses:		
1 50-foot (1/2-inch) rubber water hose	21.35	
2 50-foot (1-inch) rubber air hoses	69.20	
		90.55
Drill Steel:		
134 feet of 1-inch drill steel	86.43	
12 pieces of 5'-3" Swedish drill steel	229.67	
		316.10
Drill bits:		
1190 Liddicoat bits	245.82	
4 tungsten carbide bits	56.80	
		302.62
Total		$1,616.63

COPY

CALLAHAN ZINC-LEAD COMPANY, INC.
100 Park Avenue
New York 17, N.Y.

November 17, 1953

Mr. W. H. King
Executive Officer, D.M.E.A.
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMEA 1225X
Contract Idm-E235

Dear Mr. King:

The final report on the above contract which you requested in your letters of October 16th and November 13th is in the process of being prepaid.

It is my understanding that your auditor determined that the Government has an interest in various supplies which were installed at the Erie Mine some time ago. I am sure that you realize that as these supplies are installed and had been used for some time, plus the depressed state of the lead and zinc mining industry, they have little, if any, value.

I am informed the supplies in question are as follows:

Item		Cost
Pipe	-	$244.29
Hand Tools	-	60.63
Track	-	4.96
Wire (3 cond. rubber covered)	-	606.55
Air & Water Hose	-	30.69
		$997.12

We are willing to render a bid of $50 for the above supplies.

Yours very truly,

CALLAHAN ZINC-LEAD COMPANY, INC.

/s/ E. A. Salo

E. A. Salo
Treasurer

EAS:aim
CC: J.E. Dunn
L.F. Mahoney

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

November 13, 1953

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMA 1225X (Lead-Zinc), Contract Idm-E235, Callahan Zinc Lead Company, Inc., Erie Mine, Gunnison County, Colorado

Reference is made to your letter of November 9, 1953, relative to the status of closing this contract account.

We are enclosing one copy each of our letters to Mr. J. E. Dunn, Superintendent, Callahan Zinc Lead Company, Inc., dated October 16 and November 13, 1953, indicating our efforts in obtaining the required data from the operator to enable closing the contract account.

W. H. King

W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

NOV 16 1953

224 New Customhouse
Denver 2, Colorado

November 18, 1953

Mr. J. E. Dunn, Superintendent
Callahan Zinc Lead Company, Inc.
Whitepine, Colorado

Re: Docket No. DMA 1225X
Contract Idm-1235

Dear Mr. Dunn:

Reference is made to our letters of April 1, 1953 and October 16, 1953, relative to the liquidation of the Government's interest in property acquired under the contract and the rendering of final engineering and geologic reports and final accounting of project expenditures.

We will appreciate your early attention to these matters so that we can close our files on this contract.

Very truly yours,

W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
WMTraver
AHKoschmann
JWTownsend
Chairman, Operating Committee
EASalo, 100 Park Ave., New York 17 NY

FILE COPY
SURNAME:
500

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

NOV 9 1953

J. W. Alt.
Selfridge
Withecombe

Mr. . H. King, Executive Officer
Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. [illegible]-1225[illegible] (Lead-Zinc)
Callahan Zinc-Lead Company, Inc.
Erie Mine
Gunnison County, Colorado
Contract No. Idm-8235

Dear Mr. King:

Please advise us regarding the status of the above contract. This contract was terminated on March 18, 1953, and to date we have not received the Operator's final report, nor the final report of the Field Team.

In your letter of April 1, 1953, to Mr. J. S. Dunn, Superintendent, Callahan Zinc-Lead Company, Inc., you state: "In the event no property was purchased under the contract, or no unexpended supplies remained on hand on completion or termination of the work, in which the Government would have an interest, in conformance with the first paragraph of this letter, please render a statement in sextuplicate, to that effect."

You also stated in this letter to Mr. Dunn: "Your attention is directed to Articles 14 and 17 of Exploration Project Contract Form IT-200, which are relative to the rendering of final engineering and geologic reports and final accounting of project expenditures."

We have been advised that a final audit report has been made but is being held up pending disposition of property.

Will you please give this matter your attention and advise us as to what action you have taken to close out this contract.

Sincerely yours,

George C. Selfridge (JWA)
Chairman, Operating Committee
JWAlt/hmj (11-4-53)
CC to: Docket
Adm. R. File
Op. Committee
Mr. Kinkel
Mr. Bishop
Base Metals Division
Chron.

Concur:

J. H. Hedges (JWA)
Member, Bureau of Mines

A. R. Kinkel, Jr. (JWA)
Member, Geological Survey

R.C.S. 11-9-53

M+F
mDl

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Defense Minerals
RECEIVED
NOV 16 1953

COPY

October 16, 1953

Mr. J. E. Dunn, Superintendent
Callahan Zinc Lead Company, Inc.
Whitepine, Colorado

Re: Docket No. DMEA 1225X
Contract Idm-E235

Dear Mr. Dunn:

The on-site audit of your accounts under Contract Idm-E235 has been completed. However, preparation of the final report of audit by the Contract Administration and Audit Division is necessarily deferred pending receipt of your bid and proposal in the liquidation of property acquired under the contract.

We have been advised by Mr. Brading that you were furnished an outline of the amounts involved as a basis for your bid and proposal to be submitted in conformance with our letter of April 1, 1953.

We will appreciate receipt of the above material and your final report at an early date so that we can close our files on the account.

Very truly yours,

John F. Shaw, for
W. H. King
Executive Officer, DMEA
Field Team, Region IV

JWT:jp
cc Contract
Chron
WMTraver
AHKoschmann
THBrading
JWTownsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

April 1, 1953

Memorandum

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 6 1953

To: Traver
Koschmann

From: Field Team

Subject: DOCKET No. DMA 1225X (Lead-Zinc) Contract Idm-E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado

The subject contract was terminated by mutual agreement effective March 18, 1953. Please submit final engineering and geologic reports relative to the work accomplished and results obtained therefrom.

For general information, the project has been recessed since June 1952. Reimbursement has been made to the operator for the amount of Government participation in the costs of work performed during June 1952, which in fact constitutes final payment under the contract.

W. H. King
W. H. King

A. H. Koschmann
A. H. Koschmann

JWT:es

cc: Contract
Chron.
Sec. to the Oper. Comm. (2)
Townsend
Koschmann (2)

Griswold
Betty

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

April 1, 1953

Mr. J. E. Dunn, Superintendent
Callahan Zinc-Lead Company, Inc.
Whitepine, Colorado

Re: Docket No. 1225X
Contract No. Idm-X235

Dear Mr. Dunn:

By the terms of your exploration project contract with the Government, the Government acquires an interest in any property paid for or purchased with funds contributed jointly by the Operator and the Government. Such property includes: all facilities, buildings, fixtures, equipment, or other items costing more than $50 each; materials and supplies considered in groups or categories (such as pipe, or explosives, or rails, or drill steel), if the original cost of the remaining categories of materials or supplies exceeded $50; and equities in any installment-purchase contract or rental-purchase contract.

It is your responsibility to make the best possible disposition of the property for the benefit of the Government. Every reasonable effort must be made to realize its full value. By the terms of your contract, if it is necessary to accomplish such disposition of property, you are required to dismantle it, sever it from the land, and remove it for the purposes of sale. Reasonable efforts to accomplish the sale might include: (1) advertising in newspapers, periodicals, and posting notices in public places; (2) canvassing users or dealers in such property; and (3) negotiating with the original vendor for accepting the return of the property.

Should you wish to retain the property, or in effect sell it to yourself, you may do this only after having first made every reasonable effort to procure a price higher than you yourself are willing to pay. In the case of an incompleted installment-purchase or rental-purchase agreement, the contract itself is the property to be disposed of. You are not authorized to complete the purchase of the equipment covered by such incompleted contracts for your own account without reference to the Government's interest. Consultation should be had with the Government's agents with respect to the disposition of equities in any installment-purchase or rental-purchase contracts.

In a proper case the Government will approve of and join in the sale of property for the joint account of the Operator and the Government. You are requested to advise this office in advance of the proposed disposition of any such property so that we may advise you if the Government will approve thereof.

In the event no property was purchased under the contract, or no unexpended supplies remained on hand on completion or termination of the work, in which the Government would have an interest, in conformance with the first paragraph of this letter, please render a statement in sextuplicate, to that effect.

Your attention is directed to articles 14 and 17 of Exploration Project Contract Form MF-200, which are relative to the rendering of final engineering and geologic reports and final accounting of project expenditures.

Our records indicate that reimbursement for the amount of Government participation in the costs of work performed during the month of June 1952, does, in fact constitute final payment under the terms of the contract.

Very truly yours,

W. H. King

W. H. King
Executive Officer
DMEA Field Team, Region IV

JWT:es

cc: Contract
Sec. to the Oper. Comm. (2)
Traver
Townsend
Chron.
Koschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 2 1953

224 New Customhouse
Denver 2, Colorado

March 30, 1953

Memorandum

To: C. O. Mittendorf, Administrator, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMEA 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Inc.

Enclosed are the original and two copies of "Termination of Exploration Project Contract by Agreement After Commencement but Before Completion of the Work". Copies of this agreement have been given to the operator, the Fiscal Officer, Region IV, and a copy has been retained for our files.

Authority for this termination was given in a letter from the Chairman of the Operating Committee dated February 6, 1953.

Also enclosed are three copies of a memorandum from a Bureau of Mines engineer recommending termination of this contract.

W. H. King
W. H. King

Enclosures

RECEIVED
APR 10
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

cae
4/3

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 24, 1953

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Mineral Resources Branch, Mining Division, Region IV

Subject: DMA 1225X, Contract Idm-E235 (Lead-zinc), Callahan Zinc-Lead Company, Inc. (Erie mine), Gunnison County, Colorado - Contract termination

Please find enclosed the original and five copies of C. M. Harrer's memorandum on the subject contract termination, as requested in your memorandum of February 10, 1953.

Harrer recommends termination of the contract as suggested by Mr. Selfridge. I concur.

Attention should be called to the fact that the contract was drawn up in Washington without reference to the field. We are without any information concerning the quality of objectives, size of targets, or the original estimates of costs submitted with the application and, for that reason, consider ourselves unqualified to make a recommendation based on anything beyond present results, which we have done.

W. M. Traver

W. M. Traver

enclosures

WMT/amh

cc: 5
E235
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
February 24, 1953

Memorandum

To: Chief, Mineral Resources Branch, Mining Division, Region IV

From: C. M. Harrer

Subject: DMA 1225X, Contract Idm-E235 (Lead-zinc), Callahan Zinc-Lead Company, Inc. (Erie mine), Gunnison County, Colorado - Contract termination

Exploration under the contract was active for the period January 23 through June 10, 1952. A raise was driven, from the 400-foot level of the Erie mine, 119 feet to the structural contact between the Belden sediments and the Leadville limestone. The quartzite-limestone contact has been explored from the top of the raise with 159 feet of drift. Mineralization was generally weak and disappointing.

All underground development on the Eureka and Nest Egg claims is inaccessible. The scant information available on the upper workings and exploration already completed under the project indicate that the possibility of finding ore at the exploration horizon is not good. The search for ore along the quartzite-limestone contact is strictly a wildcat venture.

In addition, exploration costs are very high and untimbered 5- by 7-foot cross section drift has in the past cost between $43.82 and $58.12 per foot. It would be higher if timbering and increased ventilation are required.

Funds allotted will be insufficient to complete the project.

For the above reasons, it is recommended that the project be terminated.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/amh

cc: 5
E235
DMEA Chron.

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR 140
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

F. E. Johnson
J. Alt
Keating
Chambers
Hoffmann
Johnson
Gen. Atty.
Keating
Chambers
Gannon
Selfridge

Rewritten by

FEB 12 1953

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-1225X
Callahan Zinc-Lead Company
Contract No. Idm-E235
(Lead-Zinc)

Dear Mr. King:

This is with reference to memorandum dated January 7, 1953, addressed to Mr. J. H. East, Jr., and signed by Mr. John F. Shaw, and attached copies of memorandum dated December 30, 1952, from you to Mr. C. O. Mittendorf and letter dated December 19, 1952, addressed to you and signed by J. E. Dunn of Callahan Zinc-Lead Company.

We note that the work on the subject project was recessed June 10, 1952, and that there is a possibility that operations may not be resumed. We also note that this same situation prevails at several other projects in Region IV. In this connection Mr. Shaw has inquired, "If a project is going to be recessed for any of the above reasons should this office withhold 10 percent of the amount of Government participation as is done on a final payment to protect the Government's equity in any equipment or unused supplies?"

Willful suspension of operations by an operator is a breach of the contract, and gives to the Government all the rights and remedies arising out of that fact. An operator should not suspend operations without obtaining the consent and agreement of the Government in advance. The Government can either agree to the suspension, or if the parties deem it to be mutually beneficial, the contract may be terminated by agreement.

In the absence of any such agreement, the operator is in default when he suspends operations, and the Government should make no further contribution whatever, and may, if it sees fit, demand repayment of all contribution previously made. It is not a mere question of whether to

withhold 10 percent or less of the amount of the Government's agreed participation; all further participation should be withheld until a satisfactory agreement is made with the operator.

Any agreement for the suspension of operations should provide also for the resumption of operations, subject to any contingencies that may be agreed upon. The agreement ~~suspending~~ should also provide for whatever report may be deemed necessary from the operator, for the preservation of any equipment in which the Government has an interest, and for withholding a sufficient sum to secure the Government's interest in equipment and to procure the making of suitable reports, present or future. The amount withheld might be more or less than 10 percent, depending upon circumstances.

Sincerely yours,

George C. Selfridge (JHB)

Chairman, Operating Committee

J.N. 2-12-53

APPROVED:

J. H. Hedges (JHB)
Member, Bureau of Mines

D. M. Lemmon (JHB)
Member, Geological Survey

FEJohnson/JLHofflund/bih/mef
2/2/53
cc to: Mails and Files
Admr. R. File
Op. Committee
Messrs. Thayer
Hedges
Hofflund
Keating
Johnson
Chambers
Chron.
Pending

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

FEB 6 1953

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA-1225X (Lead-Zinc)
Contract No. Idm-R235
Callahan Zinc-Lead Company
Gunnison County, Colorado

Dear Mr. King:

In reply to your memorandum of December 30, 1952 regarding the subject contract, we refer you to the memorandum dated January 12, 1953, prepared by the Chief Counsel of the Defense Minerals Exploration Administration. For your information, we are enclosing a copy of this memorandum.

We note that the Operator states the project has been discontinued because of low metal prices. This is not an adequate reason for terminating a contract. However, if it is for the benefit of the Government to terminate the contract in this instance, such termination should be effected. Contracts should not be terminated or rescinded merely for the convenience of the Operator; but only when the termination is believed to be for the best interest of the Government.

As you are aware, the costs on this project have been high and the proposed work could not be completed without additional funds being authorized. Based on the information furnished by your office, the results of the work performed under the contract have not been encouraging. Hence, we are of the opinion that the contract should be terminated. Therefore, if you feel that it is for the best interest of the Government to terminate the contract you should do so under your delegated authority. If you take such action, it would be advantageous to terminate by mutual agreement. We are enclosing the necessary forms "Termination of Exploration Project Contract by Agreement After Commencement but Before Completion of the Work" for your use in case you decide that the contract should be terminated.

Enclosures (7)

Sincerely yours,

APPROVED:

George G. Selfridge

Chairman, Operating Committee

J. H. Hedges

Member, Bureau of Mines

A. R. Kinkel, Jr.

Member, Geological Survey

JWAlt/FEJohnson/hmj/bih - 1/27/53
cc to: Docket - Admr. Reading File
Region IV - Operating Committee
Hofflund - Chambers - Hedges - Thayer - Keating
FEJohnson -

500

FILE COPY
SURNAME:

J.W. Alt.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Mr. W. H. King
Executive Officer, Region IV
DMA Field Team
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMA 1225X (Lead-Zinc)
Callahan Zinc-Lead Company
Gunnison County, Colorado
Contract No. Idm-E235

Dear Mr. King:

In reply to your memorandum of December 30, 1952 regarding the above referenced project and contract, we refer you to the memorandum as prepared by the Chief Counsel of the Defense Minerals Exploration Administration. For your information, we are enclosing a copy of this memorandum.

We are of the opinion that this contract should be terminated as the costs have been high and the work would not be completed under the terms of the contract, but we feel that this is a matter for you to decide. This is within your delegated authority as per Order No. 2684.

In case you should decide to terminate the contract, we are enclosing the necessary forms "Termination of Exploration Project Contract by Agreement After Commencement but Before Completion of the Work".

Sincerely yours,

Chairman, Operating Committee

JWAlt/hmj (1-22-53)
CC to: Adm. Reading File
Docket Base Metals
Operating Committee
Messrs: Alt
Kinkel
Bishop

Enclosures
APPROVED:

Member, Bureau of Mines

Member, Geological Survey

1/22/53

Mr. Lefevre:

I believe that it would be appropriate to issue a "Special Notice" on the Operating Committee decisions regarding "Recessed Projects" and advise with respect to withholding 10% of payments on last vouchers or vouchers as mentioned in the last paragraph of the attached letter. DEJ

FILE COPY
SURNAME:

140

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

AKane

January 12, 1953

BW.

Memorandum

To: The Administrator

M. S. in R. v. R.

From: Chief Counsel

Subject: Callahan Zinc-Lead Company, Docket No. DMA-1225x
Contract Idm-E235

This contract was entered into on January 11, 1952. The total authorized Government participation is $15,305.00 of which $7,760.22 has already been paid to the Operator. Work on the project was recessed on June 10, 1952, and the Operator states that it does not contemplate resuming work on the project in the foreseeable future. Work was stopped not because there was no probability of a discovery but because the Operator corporation thought it inadvisable for it to continue operations because of the present low level of base metal prices. The contract provided for the completion of the work by October 11, 1952.

If the Government itself does not want to continue with this project, the contract may be terminated by mutual consent. However, the Operator is obligated to continue with the exploration work regardless of the current price of base metals, unless the Government by inaction has waived its rights. When an operator, by inaction, suspends operations without justification, he should be notified at once to resume.

J. L. Hofflund

J. L. Hofflund
Chief Counsel

AEKane/em
Copy to: Mails and Files
J. L. Hofflund
A. G. Keating
A. E. Kane
chron.

FILE COPY
SURNAME:
500

Keating

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

January 7, 1953

Memorandum

To: Chief Counsel

From: Base Metals Division

Subject: Re Docket No. DMA 1225X, Contract Idm-E235, Callahan Zinc Lead Co. (Lead-Zinc)

Please advise the proper form for termination in consideration of possible discovery, and Government expenditure which has not been repaid.

/s/ AGK

A. G. Keating, Acting Chief
Base Metals Division

n.s. in R.R.
J.C.

AGKeating/hmj
(1-7-53)

CC to: Docket
Adm. Reading File
Operating Committee
Base Metals
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

January 7, 1953

Memorandum

To: J. H. East, Jr., Regional Director, Region IV

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMA 1225X (Lead-Zinc), Contract Idm-E235, Callahan Zinc-Lead Company

Enclosed is a copy of a letter dated December 19, 1952, from J.E. Dunn, General Superintendent, Callahan Zinc-Lead Company, to the Executive Officer, Region IV, and a copy of a memorandum dated December 30, 1952, to the Administrator from the Executive Officer.

Several projects in Region IV have been recessed because of low metal prices, severe weather, or labor difficulties. In many instances this office has not been aware that the project would be recessed and the monthly progress reports have been paid in full. It is highly probable that work will not be resumed on some projects which have been recessed, so in effect the last payment will be the final payment.

If a project is going to be recessed for any of the above reasons should this office withhold 10 percent of the amount of Government participation as is done on a final payment to protect the Government's equity in any equipment or unused supplies?

John F. Shaw
John F. Shaw
For W. H. King

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JAN 2 1953
JAN 7 1953
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

Keating Memo.

224 New Customhouse
Denver 2, Colorado

December 30, 1952

Memorandum

To: C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket No. DMA 1225X (Lead-Zinc), Contract Idm-E235, Callahan Zinc-Lead Company, Gunnison County, Colorado

Enclosed are three copies of a letter, dated December 19, 1952, from J. E. Dunn, General Superintendent, Akron Mine, Callahan Zinc-Lead Company, wherein he advises that work will not be resumed under contract Idm-E235 in the foreseeable future. The letter is in reply to an inquiry from this office relative to the company's intentions for resumption of work inasmuch as the contract expiration date is October 11, 1952.

Work on the DMA Project was recessed June 10, 1952 because of declining metal prices which seriously affected the economics of the operation. Project work has not progressed to the extent that a certification of discovery can be recommended.

Reimbursement to the operator for the amount of Government contribution has been made in the aggregate amount of $7,760.22, covering the period from January 23, 1952, through June 10, 1952. The total Government participation authorized by the contract amounts to $15,305.00. If the company does not resume operations the reimbursement made for work performed through June 10, 1952 will in effect constitute the final payment under the contract.

There was no operating equipment purchased or physical improvements made under the contract. Powder and other operating supplies were charged to the project from the company warehouse as used; therefore there would be no inventory of unexpended supplies or material on hand, except possibly for a minor amount of pipe which was installed and charged to the DMA Project in the amount of $81.43.

We are in doubt as to the procedure in a case of this kind; therefore we are submitting the matter to you for your consideration and appropriate action or the forwarding of advice to us as to the procedure we are to follow in terminating the contract.

W. H. King

W. H. King

Enclosure

CALLAHAN ZINC-LEAD COMPANY, INC.
AKRON MINE
WHITEPINE, COLORADO

December 19, 1952

Mr. W. H. King
Executive Officer, Field Team
Region IV
224 New Customhouse
Denver 2, Colorado

Subject: Idm-E235

Dear Mr. King:

We do not contemplate further work on this project in the foreseeable future.

While we believe the project has merit, the present level of base metal prices and expected futures preclude any possibility of continuing it at present.

Very truly yours,
CALLAHAN ZINC-LEAD COMPANY

BY: s/ J. E. Dunn

t/ J. E. Dunn
General Superintendent

JED/fj
cc: R. F. Mahoney

COPY

ME[illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 12/2/52

REFERRED TO:

1. Mr. Keller, Rm. 2616
2.
3.
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record
..... Comment	of .....
..... Conference	..... Referring
..... Consideration	to.....
..... Filing	..... Reply for signa-
..... Instructions	ture of .....
..... Investigation	..... Rewriting
..... Initials	..... Signature
..... Mailing	..... Suggestions
..... Previous correspondence	..... Your information

REMARKS: Betty: This is one of those amendments which has been hanging fire for so long. Apparently the attached ltr. fm. Field dtd 11/24/52 (w/attachment) clarifies the amendment, in reply to Wash. ltr. dtd 8/12/52.
Hazel

Check (X) before the items needing attention.

Frank E. Johnson
(NB) *Initials of sender.*

GPO 16—63815-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

November 24, 1952

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region IV

Subject: Docket DMA 1225 (Lead-Zinc), Contract Idm-E235, Callahan Zinc-Lead Company, Gunnison County, Colorado

Reference is made to your letter of August 12, 1952, concerning the statement under footnote "3/" of Amendment No. 2 to the subject contract. For additional clarification of the statement under footnote "3/" we are enclosing a copy of the operator's letter requesting the amendment. Our records indicate that three copies of the letter were forwarded to the Administrator with the amendment.

W. H. King

W. H. King

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 8 1952

September 5, 1952

Memorandum

To: Secretary to the Operating Committee

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 1225X, Contract Idm-E235 (Lead-Zinc)
Callahan Zinc Lead Company, Gunnison County, Colorado

Enclosed are two copies of the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of June, 1952, pertaining to DMA Docket 1225X, Contract Idm-E235, Callahan Zinc Lead Company.

W. H. King

W. H. King

Enclosures

224 New Customhouse
Denver 2, Colorado

August 20, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1225X, Contract Idm-E235 (Lead-Zinc), Calluhan Zinc Lead Company, Gunnison County, Colorado - Operator's Monthly Progress Report for the period of June 1952.

Enclosed are the original and four copies of Form M-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended as follows:

Total amount reported		$1,546.49
Disallowance June Report		
Mine Lamp Rental	3.08	
Prorata charge of office expense	.99	
Prorata charge mine lamp supplies, hoist and pump repairs	5.90	
Disallowances in compliance with audit report dated July 23, 1952, for period January 23, 1951 through May 1952		
Repairs and maintenance of employees' living quarters	75.84	
Total Disallowances		85.81
Balance		$1,460.68
Reimbursement, 50% Government participation		$730.34

The disallowance statement to the operators should include a request that the amounts disallowed be deducted from where originally

charged, so that the breakdown of project costs will be accurate on subsequent reports.

John F. Shaw
for W. H. King

Enclosures

JWT:jp
cc Secretary to the Operating Committee (2)
WMTraver
Contract
Chron
AHKoschmann (2)

140

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

AUG 12 1952

Mr. W. H. King, Executive Officer
DMEA Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Dear Mr. King:

Reference is made to your memorandum of July 30 to the Acting Administrator enclosing copies of Amendment No. 2 to Contract No. Idm-E235, Docket DMEA-1225, Callahan Zinc-Lead Company. This amendment apparently has been signed by and delivered to the parties and is in force and effect.

The amendment adds to Exhibit "A" one item of labor and one item of supervision at specified rates. There is added to footnote "3/", which deals with supervision, the following:

> "All salaries are paid as a base salary plus a percentage of the base salary that changes with the cost of living index figures released by the Government. The noted salary rates were based on a cost of living index of 18%. The base salary rates are allowable maximum. However payment is allowable above or below the stated rates in proportion to the fluctuation of the cost of living index."

The quoted added material, except for the first sentence, seems incomprehensible to this office. Certainly "18%" does not express any cost of living index. Moreover, it does not seem to make sense to say that "The base salary rates are allowable maximum" and then to say that "payment is allowable above or below the stated rates." Except in a contract written on the new form in which the expression "allowable maximum" is fully explained, it is hardly practicable to use that expression without additional explanatory material.

Possibly the statement would be sufficient with nothing but the first sentence. At any rate it seems advisable to restate the amendment to reflect what actually is meant, otherwise it may present difficulties upon final audit and settlement of the contract.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee

(FHS)

D.N.
8-12-52

Approved

C. H. Johnson
Member, Bureau of Mines

D. M. Lemmon
Member, Geological Survey

JLHofflund/em

Copy to: Mails and Files
Adm. Reading File
Operating Committee
J. H. Hedges, B. M.
T. P. Thayer, G. S.
J. L. Hofflund
Chron.
pending
H. T. Keller

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

Mr. J. E. Dunn, Superintendent
Callahan Zinc-Lead Company
Whitepine, Colorado

Re: DMA-1225X, Contract
Idm-8235

Dear Mr. Dunn:

Consistent with authority delegated the Executive Officer, DMEA Field Team, Region IV, we hereby waive the requirement for you to provide documentary support of Form MF-104 (Revised-April 1952) Operator's Monthly Report and Voucher, beginning with the month of June, 1952, or the first monthly report using the revised forms, MF-104 and MF-104A, except for support of equipment purchases whose individual costs exceed $50.00 as explained on the reverse side of Form MF-104 (Revised).

In lieu of documentary support of the monthly voucher, an auditor from the Contract Administration and Audit Division will make interim audits of your books, and will make a final audit on completion or termination of the contract, before the final voucher is processed for reimbursement.

This waiver does not forego the requirement for a concise but complete narrative that must accompany the original and each copy of the Monthly report.

Very truly yours,

W. H. King

W. H. King
Executive Officer
Field Team, Region IV

cc: Oper. Committee (2)
Fiscal Off. Reg. IV (1)
T. H. Brading
W. M. Traver
J. W. Townsend
Contract
Chron.
Koschmann (2)
chief, Con. Adm. & Audit Div.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 1, 1952

Mining Division
Date Rec'd.
AUG 5 - 1952
BUREAU OF MINES
Denver, Colorado

Memorandum

To: Executive Officer, Field Team, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 1225X (Lead-Zinc), Contract Idm-R235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - June 1952 progress report

Please find enclosed five copies of the above progress report on the new forms MF-104 (revised) and MF-104A, with narrative, payroll, cost distributions, schedules A, B, and C, and equipment depreciation list, and seven copies of C. M. Harrer's memorandum report covering inspection of the underground progress and accounts.

The totals, previously reported and to date, on both the MF-104 (revised) and MF-104A forms do not reflect the disallowance made by Region IV auditor, T. N. Breding, of $211.00. These should be $13,983.93 and $15,530.42, respectively, not considering June disallowances.

The Callahan Zinc-Lead Company offical making the pen and ink corrections on form MF-104 (revised) failed to, or was not instructed to, initial.

Inasmuch as documentation is waived on this account and "on site" audit required, I am omitting the amount approved. It is my opinion, however, that the payroll, schedules, and equipment list, as long as they are furnished, should be certified by an authorized official.

Harrer makes total disallowances of $9.97 from the $1,546.49 claimed by the operator, leaving a balance of $1,536.52. Of this sum he approves payment of 50 percent, or $768.26.

Wm Traver, Jr

W. M. Traver, Jr.

enclosures

WMT/amh

cc: 4
AHLoschmann
R235
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20, Room 137
Denver Federal Center
Denver 14, Colorado
August 1, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: C. M. Harrer

Subject: RFA 1225X (Lead-Zinc), Contract Idm-R235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - June 1952 progress report

Company accounts were checked with F. S. Micari, accountant, on July 24, 1952. Progress and general details were discussed with J. E. Dunn, superintendent. The Erie project operated through June 1 to 10, inclusive, and is recessed due to operating economics affected by fluctuating metal prices, which limits the amount of exploration. Since the Erie project is in good ground, preference will be given to continuing the Akron project if and when the supplemental contract amendment is approved. Dunn was advised to determine the probable length of shutdown on the Erie project and report this to the RMRA Field Team. He will take this up with top management and advise.

All items in the accounts are allowed under the contract or amendment unless otherwise noted.

Examination of accounts revealed:

Item 2, Labor and Supervision: $965.30.

Figures reported on form MF-104 did not coincide with the attached payroll sheet. Corrections were made by F. S. Micari. Technical and supervisory personnel are reported above original contract stipulations but were allowed on the basis of a copy of an amendment in the files of Callahan Zinc-Lead Company, Inc., but not in Colorado Branch RMRA files at the time of examination.

Item 3, Operating Materials and Supplies:

Explosives: $91.81 is correct for dynamite, blasting caps, and fuse used on the project. It is correct and allowed under the contract.

Item 3, Operating Materials and Supplies:

Miscellaneous: $44.20 consists of $10.62 as direct supplies to the project, consisting of pipe fittings, and $33.58 which is included as pro rata supplies distributed as follows:

Schedule A

Allowance as pipe fittings and small tools - 93/93	$ 8.89	
Disallowance as mine lamp rental - 93/93		$3.08

Schedule B

Allowance, camp yard, as pipe fittings, light bulbs, toilet tissue, and DDT spray	$ 30.49	
Allowance as camp truck maintenance and fuel	174.22	
Allowance as water system chemicals and pipe fittings	36.03	
Allowance as mine office light bulb	0.17	
Total allowance schedule B	$240.91	
Total pro rata allowance, schedule B 28/1497 x $240.91 =	$ 4.51	
Disallowance, mine office, as:		
Office laundry for DMEA auditor-engineer team	$ 2.55	
Office supplies	6.73	
Telegrams to New York	3.64	
Stationery	9.23	
Postage	20.00	
Banking charge to clear project employees' checks	10.95	
Total disallowance, schedule B	$ 53.10	
Pro rata disallowance, schedule B 28/1497 x $53.10 =		.99

Schedule C

Charges under shop are for small tools, light bulbs, oxygen-acetylene torch parts, lubricants, cleaner, bolts, nuts, et cetera, pipe and hose fittings, minor repair supplies, repairs to 3 x 2 x 3 water pump for project--allowed under the contract and totaling	$343.22	
Charges to the warehouse are for brooms, which are allowed, and total	$ 3.58	
Disallowances:		
Repairs to Ingersol-Rand sump pump (Akron)	$101.59	
Repairs to slusher hoist (Akron)	35.06	
Mine lamp rental to Mine Safety Appliance Company	27.78	
Total disallowance	$164.43	
Pro rata allowance 93/2591 x $346.80 =	$ 12.45	
Pro rata disallowance 93/2591 x $164.43 =		5.90
Total pro rata disallowance, Item 3, Miscellaneous		$9.97

Item 4, Operating Equipment:

Depreciation: $38.83 is correct for 1/3 month.

Item 7, Miscellaneous:

Repairs to Equipment: $245.66 as repairs to equipment is listed as:

12 pieces 5-foot 3-inch Sandvik Cormorant drill steel	$229.67
Miscellaneous rock drill parts	15.99
Total	$245.66

The total is correct.

Payroll taxes: $48.74 includes $21.44 paid into the Colorado State Compensation Insurance Fund and $27.30 social security (FOA, SUI, FUI).

Power: The total power bill for Callahan Zinc-Lead operations at Whitepine was $2,652.60 for 148,743 kilowatt-hours electric energy. Of this total, $409.19 was charged toward camp use, $1,022.97 to the mill, $1,119.33 toward the Akron mine and $101.11 toward the Erie project. Prorations, schedules A and B, charge $101.11 toward Erie mine power and $7.65 toward camp power. The total of $108.76 is correct.

Miscellaneous: $3.19 is boarding house subsidy charged to the contract.

Recapitulation

Total expenditures, form MF-104		$1,546.49
Disallowances Item 3, schedule A	$3.08	
Disallowances Item 3, schedule B	.99	
Disallowances Item 3, schedule C	5.90	9.97
Expenditures allowed under the contract		$1,536.52

Expenditures of $1,536.52 by Callahan Zinc-Lead Company, Inc., during June 1952 are approved. U. S. Government participation is $768.26.

Underground progress was checked July 24, 1952, with R. C. Stitzer, company mining engineer, and consisted of 29 feet of untimbered sublevel drift as reported in the narrative and on form MF-104A.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/amh

cc 6
E235
AHKoschmann
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

July 30, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment No. 2 to Contract Idm-E235, Docket DMA 1225X, Callahan Zinc-Lead Company

Enclosed are the original and two copies of Amendment No. 2 to Contract Idm-E235. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and one copy has been retained for our files.

Also enclosed are three copies of a letter from J.E. Dunn, Superintendent, requesting this amendment.

W. H. King
W. H. King

Enclosures

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
AUG 4 1952

RECEIVED
AUG 6 1952
GENERAL COUNSEL
DEFENSE MINERALS
ADMINISTRATION

SD

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

July 23, 1952

Memorandum

To: Secretary to the Operating Committee, Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 1225X, Contract Idm-E235, (Lead-Zinc), Callahan Zinc-Lead Company, Gunnison County, Colorado-operator's Monthly Progress Report, for the period May, 1952.

Enclosed are two copies of the Operator's Monthly Progress Report, Form MF-104, Operator's Narrative Report, Inspecting Engineers' Narrative Report, and other supporting data for the month of May, 1952, pertaining to DMA Docket 1225X, Contract Idm-E235, Callahan Zinc-Lead Company.

W. H. King

W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUL 28 1952

Colorado Branch

Date Rec'd
JUL 21 1952
BUREAU OF MINES
Denver, Colorado

7/19/52

Mr. W. M. Traver, Jr., Chief
Colorado Branch
Mining Division, Region IV
Building 20, Room 137
Denver Federal Center
Denver, Colorado

Subject: Idm-E235

Dear Mr. Traver:

I am enclosing the operators monthly progress report covering the period June 1, 1952 to June 30, 1952 inclusive. Drift work was advanced 29 feet during the month. Work was discontinued and the drift is not advancing at present.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn,
Superintendent

JED:ds
encl.

COPY

Mining Division
Region IV

July 14, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1225X, Contract Idm-E235, (Lead-Zinc), Callahan Zinc-Lead Company, Gunnison County, Colorado - Operator's Monthly Progress Report, for the period of May 1952

Enclosed are the original and four copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $2,452.42, which is 50 percent of the total of $4,904.84, which reflects a disallowance of ~~$134.33~~ the pro rata amount of an erroneous charge of $164.41, under "Schedule A", for two mine cars.

The amount approved is contingent on a review of findings of the recent audit, the report of which is in process.

W. H. King

W. H. King

Enclosures

JWT:fwo

cc: Sec. Oper. Comm. (2)
Traver
Contract
Koschmann (2)
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

July 2, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - May 1952 progress report

Please find enclosed five copies of the subject progress report, form MF-104, with narrative, equipment list, payroll, and cost distribution sheets, and seven copies of C. M. Harrer's memorandum report covering inspection of the underground progress and accounts.

Harrer has arranged for the necessary amendments with the operator and your office, as stated in his memorandum. After making proper disallowances and an addition of $8.50 to Item 2 (c), Operating Equipment, furnished by the operator, he approves payment of $2,441.63 or 50 percent of the remainder. I am leaving the amount which I approve blank until all the amendments are processed and permission given to add the $8.50 to Item 2 (c) which, if my interpretation is correct, is not in accordance with our policy.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures
WMT/bem

cc: 4
WHKoschmann
E235
DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
July 2, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: C. M. Harrer

Subject: DMA 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - May 1952 progress report

Company accounts were checked in detail with F. S. Misari, accountant, on June 26, 1952. Progress and general details were discussed with J. E. Dunn, superintendent. The revised forms MF-104 and MF-104A were delivered and explained.

Item 2 (c): Equipment furnished by the operator, charged at $108.00, as listed on a sheet accompanying the MF-104 forms is incomplete by error. Two C. S. Card 18 cubic feet mine cars were added to the project on the first of the month, making a total of 6 cars used. This increases the depreciation allowance $8.50, to $116.50, which is correct and allowed under the contract and amendment no. 1. These cars were erroneously charged off at $164.41 in their schedule A, Indirect Mining Costs, as "tramming supplies" and under item 6 (d), MF-104, where they are disallowed.

Items 4 and 5: Labor and supervision charges of $2,856.64 and $104.21, respectively, were verified in detail from payroll records and are correct.

The inclusion of a warehouseman and superintendent are allowed subject to approval of an amendment to the contract which is now in progress.

The contract does not mention Callahan's established method of payment for salaried employees which consists of an inflexible base rate plus a fluctuating "cost of living" addition dependent on the cost of living index established by the U. S. Government. At the time the contract was formulated, this addition was 18 percent of the base rate of pay. Since January 1, 1952, the cost of living addition was 20 percent of the base rate of pay. Present salaries are higher than authorized under the contract.

Data on Salaries

Employee	Base Rate	20 percent cost of living addition	Present salary	Salary maximum, under contract
Mining engineer	$355.00	$71.00	$426.00	$418.90
Geologist	330.00	66.00	396.00	389.40
Mine foreman	390.00	78.00	468.00	460.20

J. E. Dunn was notified of this variance from the contract and advised to apply for an amendment to the contract to include their flexible method of payment.

Labor and supervision charges are approved contingent upon approval of the above-mentioned amendments.

Items 6 (a) and (b), $15.03 and $432.20, respectively, were verified from company accounts and engineering department contract data and are allowed under the terms of the contract.

Item 6 (c): $508.65 consists of $54.14 which can be classed as repair parts to machines. The remaining $454.51 is more properly items of supplies--other, and consists of small tools, drill bits, steel, track, pipe and pipe fittings. The full amount of $508.65 is correct and allowed under the terms of the contract.

Item 6 (d): $403.40 is for supplies prorated under schedules A, B, and C accompanying form MF-104. Under supplies--tramming, in schedule A, 2 mine cars mentioned under item 2 (c) were erroneously prorated to the project for $164.41 instead of being included under item 2 (c) and are, therefore, disallowed under the terms of the contract.

Item 7: The total power bill for all Callahan operations during May 1952 was verified paid to the Public Service Company of Colorado in the amount of $3,209.04 for 173,412 kilowatt hours of electric energy. Of this total, $499.36 was allocated to camp power, $1,248.39 toward mill power, $986.43 to the Akron mine, and $474.86 to the Erie mine. Prorations of the above, according to schedules A and B give power charges to the project as $390.34 towards Erie mine power and $23.78 towards camp power. The total power distribution of $414.12 to the project is correct and allowed under the contract.

Item 9 (c): Workmen's compensation insurance of $73.03 was verified and is allowed under the contract. The company paid $662.00 into the fund on June 9, 1952, for total operations. Social security taxes were verified and are correct for $110.58, and allowed under the contract.

Item 11: The boarding house subsidy of $13.31 is allowed under the terms of the contract.

Recapitulation

Total expenditures, MF-104		$5,039.17
Allowance (2 mine cars), item 2 (c)	+$8.50	
Disallowance (2 mine cars), item 6 (d)	-$164.41	
Net disallowance		-155.91
Total expenditures approved for May 1952*		$4,883.26

* subject to approval of contract amendments

Underground progress was checked June 26 with R. C. Stitzer, company mining engineer, and consisted of 115 feet of untimbered sublevel drift. Drifting along the contact to the south exposed weak mineralization, principally pyrite.

Expenditures of $4,883.26 by Callahan Zinc-Lead Company, Inc., during May 1952 are approved contingent upon approval of the amendments to items 4 and 5, MF-104. U. S. Government participation is $2,441.63.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/bam

cc: 6
AHKoschmann
E235
DMEA

C O P Y

June 26, 1952

Mr. W.H. King
Executive Officer, DMEA Field Team
Region #4
New Customhouse
Denver 2, Colorado

Dear Mr. King:

Please consider this a request for amendment to contract Idm-E235 as follows:

Salaries mentioned on page 2, exhibit-A of Contract DMA, 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, were based on estimates prior to the signing of the contract. It should be noted that all salaried employees are paid a base pay rate, plus a cost of living differential, based on the U.S. Bureau of Labor Statistics Cost of Living Index. It should be noted that the salaries mentioned in the contract were based on a cost of living index of 18%. Since the contract has been in effect, the cost of living adjustment paid to salaried employees has been raised to 20%. We wish to have the contract amended to authorize this 2% increase and any future increases payable.

Classification	Base Rate	Per the Contract Index	Per the Contract Total	Amended Index	Present Salaries
Engineer	$355.00 per mo.	18%	$418.90	20%	$426.00
Geologist	330.00 per mo.	18%	389.40	20%	396.00
Mine Foreman	390.00 per mo.	18%	460.20	20%	468.00
Mine Supt.	585.00 per mo.	18%	690.30	20%	702.00

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

/s/ F.S. Micari

F.S. Micari

FSM:ds
cc: E. A. Salo

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

June 24, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: DMA Docket 1225X, Contract Idm-E235, Callahan Zinc-Lead Co., Gunnison County, Colorado - Form MF-104

Enclosed is a copy of the Operator's Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the period of April, 1952, pertaining to DMA Docket 1225X, Contract Idm-E235, Callahan Zinc-Lead Company.

Only one copy of this progress report is available for the Washington office because the report has been in process prior to the date of our instructions to submit two copies.

According to our agreement with Mr. Mittendorf and Mr. Chambers, the Washington office will photostat all Progress Reports that were being processed prior to the date of our instructions.

W. H. King

W. H. King

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 27 1951

June 19, 1952

Mining Division
Date Rec'd.
JUN 2[illegible] 1952
BUREAU OF MINES
Denver, Colorado

Mr. W. H. King
Executive Officer Field Team
Region IV
224 New Customhouse
Denver 2, Colorado

Subject: Idm-E235

Dear Mr. King:

I am enclosing the operators monthly progress report MF-104, covering the period May1, to May 31, 1952 inclusive. Drift work was advanced 115 feet during the month. This consists of 30 feet of drift north to connect with old work to increase ventilation. The remainder of the work was south along the quartzite lime stone contact. Some mineralization was disclosed but was scattered and minor. The rock has been extremely hard.

Very truly yours,

Callahan Zinc-Lead Company

J. E. Duhn
Superintendent

JED:ds
encl.
cc: E. A. Salo

COPY

COPY

CALLAHAN-ZINC-LEAD COMPANY, INC.
Akron Mine
Whitepine, Colorado

June 18, 1952

Mr. W. H. King
Executive Officer
Field Team, Region IV
224 New Customhouse
Denver 2, Colorado

Re: DMA Docket 1225X
Contract I-DMA-E235

Dear Mr. King:

Please consider this letter a request for amendment to contract I-DMA-E235 as follows, retroactive to the start of contract.

LABOR AND SUPERVISION:

In addition to the work classification listed for prorated indirect costs, we wish to include the following:

1-Warehouseman	$ 11.84 Per Day
1-Superintendent	20.00 Per Day

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

/s/ J. E. Dunn

J. E. Dunn
Superintendent

JED:ds

cc: R. F. Mahoney

Mining Division
Date Rec'd
JUN 20 1952
BUREAU OF MINES
Denver, Colorado

June 17, 1952

Mr. W. H. King
Executive Officer Field Team
Region IV
224 New Customhouse
Denver 2, Colorado

Subject: Idm-E235

Dear Mr. King:

I am enclosing the operators monthly progress report MF-104, covering the period May 1, to May 31, 1952 inclusive. Drift work was advanced 115 feet during the month. This consists of 30 feet of drift north to connect with old work to increase ventilation. The remainder of the work was south along the quartzite lime stone contact. Some mineralization was disclosed but was scattered and minor. The rock has been extremely hard.

Very truly yours,

Callahan Zinc-Lead Company

J. E. Dunn
Superintendent

JED:ds
encl.
cc: E. A. Salo

COPY

Mining Division
Region IV

June 13, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Gunnison County, Colorado - Operator's Monthly Progress Report for the period of April, 1952

Enclosed are the original and three copies of Form MF-104, Narrative Report and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,564.99, which is 50 percent of the total of $3,129.99.

W. H. King

W. H. King

Enc.
JWT:oc

cc: Secretary to the Oper. Comm.
Contract
Traver
Koschmann (2)
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

June 3, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 1225X, Contract Idm E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - April 1952 progress report

Please find enclosed four copies of the above progress report, form MF-104, with narrative, equipment furnished list, payroll, and cost distribution sheets, and six copies of C. M. Harrer's memorandum covering inspection of the accounts and underground progress.

Payment of $1,564.99, or 50 percent of the total $3,129.99 claimed by the contracter, is approved.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures

WMT/bam

cc 3
AHKoschmann
E235
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado

June 3, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: C. M. Harrer

Subject: DMA 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - April 1952 progress report

Company accounts were checked in detail with F. S. Micari, accountant, on May 27, 1952. Progress and general details were discussed with J. E. Dunn, superintendent.

Item 2 (a), Equipment furnished by the operator, charged at $107.00, is listed on a sheet accompanying the MF-104 forms. It is correct and allowed under the terms of the contract and an amendment thereto dated April 4, 1952.

Item 4 and 5, Labor and supervision charges of $1,786.60 and $102.50, respectively, were verified in detail from payroll records. They are correct and allowed under the contract.

Item 6 (a), (b), (c), and (d), $127.59, $154.11, $83.23, and $476.77, respectively, were verified from company accounts and engineering department contract data and areallowed under the terms of the contract. A detailed list of all direct supplies used on the contract during April, with costs and prorations, is in the Colorado Branch DMA files at the Denver Federal Center.

Repair parts consist only of rock drill and Dodge ambulance parts.

Under Other are listed all general supplies such as pipe and fittings, drill steel, bits, nails, etc., allowed under the contract.

Item 7, The total power bill for all Callahan operations during April, 1952, was receipted paid to the Public Service Company of Colorado on May 8, 1952, voucher no. 4047, in the amount of $3,226.05 for 173,797 kilowatt hours. Of this total, $499.40 is allocated to camp power, $1,248.50 towards mill power, $992.11 toward the Akron mine, and $486.04 toward the

Erie mine. Prorations of the above according to schedules A and B give power charges to the project as $195.75 toward Erie mine power and $13.67 towards camp power. The total power distribution of $209.42 to the project is correct and allowed under the terms of the contract.

Item 9 (a). Workmen's compensation insurance of $42.03 was verified and is allowed under the contract. The company paid $687.00 into the fund on May 8, 1952, for total operations, voucher No. 4049. Social security taxes were verified, are correct for $35.12, and allowed under the terms of the contract.

Item 11. The boarding house subsidy of $5.62 is correct and allowed under the terms of the contract.

Underground progress was checked May 28 with R. C. Stitzer, company mining engineer. Referring to the map accompanying the MP-104 forms, the 410 raise is completed 119 feet above track level at its origin in the 408 crosscut of the Erie level. The discrepancy in elevation indicated on the map is due to the difference between estimated and actual dips. The 300 level at the top of the 410 raise has been advanced 15 feet as reported. Galena-pyrite mineralization in the drift, which will follow the contact southeast, is encouraging and about 0.8 feet thick.

Expenditures of $3,129.99 by Callahan Zinc-Lead Company, Inc., during April 1952 are approved. U. S. Government participation is $1,564.99.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/bam

cc: 5
ANKoschmann
E235
DMA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

May 22, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Gunnison County, Colorado

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the period March, 1952, pertaining to DMA Docket 1225X, Contract Idm-E235, Callahan Zinc-Lead Company.

W. H. King

W. H. King

Enclosures

May 15, 1952

Mr. J. H. East, Jr.
Regional Director Bureau of Mines
224 New Custom House
Denver 2, Colorado

Subject: Idm-E235

Dear Mr. East:

I am enclosing the operator's monthly progress report MF-104 covering the period April 1, 1952 to April 30, 1952 inclusive.

The raise was completed to the proposed sublevel elevation with an advance of 42 ft. Drifting was started on the 300 level and advanced 15 ft. during April. While the contact is distinct at this elevation, it is only lightly mineralized at the point of intersection.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
Superintendent

JED:lf
ENC.

COPY

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5-12-52

Mining Division
Region IV

May 2, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Gunnison County, Colorado - Operator's Monthly Progress Report for the period of March, 1952

Enclosed are the original and three copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1415.50, which is 50 percent of the total of $2,831.01.

J. F. Shaw
J. F. Shaw for
W. H. King

Enclosures

WLD:oc
cc: Secretary to the Oper. Comm.
Contract
Traver
Chron.
Koschmann (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
April 30, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division, Region IV

Subject: DMA 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - March 1952 progress report

Please find enclosed four copies of the subject progress report, form MF-104, with narrative, confirming payroll, and cost distribution sheets, and six copies of C. M. Harrer's memorandum covering the inspection of the accounts and underground progress.

Payment of $1,415.50, or 50 percent of the amount claimed by the operator, is approved.

W. M. Traver, Jr.

W. M. Traver, Jr.

Enclosures

WMT/amh

cc 3
AHKoschmann
E235
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
April 30, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division, Region IV

From: C. M. Harrer

Subject: DMA 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - March 1952 progress report

Company accounts were checked in detail with R. J. Flynn, assistant superintendent, on April 23, 1952. Progress and general details were discussed with J. E. Dunn, superintendent.

Item 2 (c). Equipment furnished by the operator, charged at $75.50, is correct and allowed under the terms of the contract and an amendment dated April 4, 1952.

Items 4 and 5. Labor and supervision charges of $1,603.86 and $99.11, respectively, are correct, were verified in detail from payroll records, and are allowed under the contract.

Item 6 (a), (b), (c), and (d), $153.49, $168.29, $37.18, and $425.76, respectively, were verified and are correct. A copy of detailed expenditures and allowable prorations, furnished by the company, is in the Colorado Branch DMSA files at the Denver Federal Center. The above expenditures are allowed under the terms of the contract.

Item 7. The total power bill for all Callahan operations during March 1952 was receipted paid to the Public Service Company of Colorado on April 10, 1952, voucher no. 3941, in the amount of $3,244.11, for 204,537 kilowatt-hours. Of this total, $505.41 is allocated to camp power, $1,263.53 toward mill power, $997.11 toward the Akron mine and $478.06 toward the Erie mine. Prorations of the above according to schedules A and B give power charges to the project as $122.44 toward Erie mine power and $25.03 toward camp power. The total power distribution of $147.47 to the project is correct and allowed under the terms of the contract.

Item 9 (e). Workmen's compensation insurance of $26.32 was verified and is allowed under the contract. The company paid $641.00 into the fund on April 10, 1952, for total operations, voucher no. 3971. Social security taxes were verified, are correct for $76.63, and are allowed under the terms of the contract.

Item 11. The boarding house subsidy of $17.40 is correct and allowed under the terms of the contract.

Underground progress was checked on April 24 with J. K. Dunn, superintendent, and R. C. Stitzer, company mining engineer. Progress was verified correct at 49 feet advance in the raise, on the incline, which point is 77 feet above the track level where excavation started. The raise is 5- by 9-foot breaking cross section with 2-compartment stull timbering to furnish a 5- by 5-foot manway and 3- by 5-foot chute.

Expenditures of $2,831.01 by Callahan Zinc-Lead Company, Inc., for the month of March 1952 are approved. U. S. Government participation of 50 percent is $1,415.50.

C. M. Harrer

C. M. Harrer
Mining Engineer

CMH/amh

cc 5
AHKoschmann
E235
DMEA Chron.

Colorado Branch

Date Rec'd
APR 17 1952
BUREAU OF MINES
Denver, Colorado

April 15, 1952

Mr. J. H. East, Jr.
Regional Director Bureau of Mines
224 New Custom House
Denver 2, Colorado

Subject: Idm-E236

Dear Mr. East:

I am enclosing the operator's monthly progress report MP-104, covering the period March 1, 1952 to March 31, 1952 inclusive.

This raise advanced 49 ft., which places the face 68 ft. above the back of the Erie 400 drift.

Due to extremely hard ground advance has been slow. It is, however, advancing steadily and we expect to complete raising by April 20th.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
Superintendent

JED:lf
ENC.

COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

WASHINGTON 25, D. C.

April 14, 1952

Memorandum

To: Secretary to the Operating Committee
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Form MF-104, DMA Docket 1225X, Contract Idm-E-235, Callahan Zinc-Lead Company, Gunnison County, Colorado

Enclosed are the Operator's Monthly Progress Report Form MF-104, Operator's Narrative Report, Inspecting Engineer's Narrative Report and other supporting data for the month of February, 1952 pertaining to DMA Docket 1225X, Contract Idm-E-235, Callahan Zinc-Lead Company.

J. H. East, Jr.

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
APR 10 1952

April 7, 1952

Memorandum

To: C. O. Mittendorf, Acting Administrator
Defense Minerals Exploration Administration

From: Executive Officer, Field Team, Region IV

Subject: Amendment to Contract Idm-E235, Docket DMA 1225X, Callahan Zinc-Lead Company

Enclosed are the original and two copies of an amendment to the above contract. Copies of this amendment have been given to the operator, the Fiscal Officer, Region IV, and we have retained a copy for our files.

W. H. King
W. H. King, for
J. H. East, Jr.

Enclosures

Mining Division
Region IV

April 2, 1952

Memorandum

To: T. A. Christensen

From: Acting Chief, Mining Division, Region IV

Subject: DMA Docket 1225X, Contract Idm-E-235, Callahan Zinc-Lead Company, Gunnison County, Colorado - Operator's Monthly Progress Report for the period of February, 1952

Enclosed are the original and three copies of Form MF-104, Narrative Report, and Engineer's Report for the above period.

Work accomplished is in accordance with the contract and payment is recommended for the amount of $1,597.38, which is 50 percent of the total of $3,194.76.

W. H. KING

W. H. King

Enclosures

JWT:oc

cc: DMA Contract
Chron.
Sec. to Oper. Comm.
WMTraver
AHKoschmann

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
March 28, 1952

Memorandum

To: Acting Chief, Mining Division, Region IV

From: Chief, Colorado Branch, Mining Division

Subject: DMA 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - February 1952 progress report

Please find enclosed four copies of the above progress report, form MF-104, with narrative, payroll, and cost distribution sheets, and six copies of C. M. Harrer's memorandum covering inspection of accounts and underground progress. This is the first report submitted on this contract.

Harrer approves payment of $1,597.38, or 50 percent of the total $3,194.76 claimed by the operator.

W. M. Traver, Jr.
W. M. Traver, Jr.

enclosures

WMT/dd
cc 3
E235
DMEA Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Region IV

Building 20
Denver Federal Center
Denver 14, Colorado
March 28, 1952

Memorandum

To: Chief, Colorado Branch, Mining Division

From: C. M. Harrer

Subject: DMA 1225X, Contract Idm-E235, Callahan Zinc-Lead Company, Inc., Gunnison County, Colorado - February 1952 progress report.

R. J. Flynn, assistant superintendent, was on vacation. Company accounts were checked in detail by the writer and M. H. Salsbury on March 25, 1952, with Mrs. Dorothy Settle, temporary office manager.

In the investigation of expenditures listed in the "Monthly Summary of Cost Statement", form MF-104, items without charges for the month are not discussed.

Item 2 (c). Equipment furnished by the operator, charged at $62.50, is correct and allowed under the terms of the contract. The one ventilation fan is 10 horsepower instead of the two fans mentioned in the contract at 5 horsepower each. Operator's allowance conforms to the formula of value divided by 60. It should be noted that the company's stated equipment allowance is for only one month, while use was actually for 1.3 months.

Items 4 and 5. Labor and supervision charges of $1,562.63 and $121.14, respectively, are correct and were verified in detail from payroll records.

Item 6 (a), (b), (c), and (d). While there is no charge for timber this month, a considerable amount was used and will probably appear in next month's statement. All charges for explosives, repair parts, and other were verified and are correct. A copy of detailed expenditures and allowable prorations, furnished by the company, is in the Colorado Branch DMEA files at the Denver Federal Center.

Item 7. The total power bill for February was receipted paid to the Public Service Company of Colorado on March 7, 1952, voucher no. 3902, in the amount of $3,458.71, for 208,702 kilowatt-hours. Power distribution is correct and allowed under the terms of the contract and is prorated for the months of January and February as $201.42.

Item 9 (c). Workmen's compensation insurance was verified and is allowed. The company paid $758.00 into the fund on March 7, 1952, voucher no. 3903. Their compensation insurance fund statement, dated March 18, 1952, gives them a credit of $245.00 for the entire operation. Social security taxes were verified and are correct and allowed.

Item 11. The boarding house subsidy of $7.54 is correct and allowed.

Underground progress was checked March 26 with M. H. Salsbury, accompanied by R. C. Stitzer, company mining engineer. Progress was verified correct at 28 feet. Actual cost of raising per foot is not truly reflected as a considerable portion was expended in cutting out station room and sill preparation.

An inventory was made of all equipment furnished by the operator and used on the project.

Expenditures of $3,194.76 by Callahan Zinc-Lead Company, Inc., for the period of January 23, 1952, to February 29, 1952, are approved. U. S. Government participation is $1,597.38.

C. M. Harrer

C. M. Harrer,
Mining Engineer

CMH/dd
cc 5
AHKoschmann
E235
DMEA Chron.

Colorado Branch

Date Rec'd
MAR 19 1952
BUREAU OF MINES
Denver, Colorado

March 15, 1952

Mr. J. H. East, Jr.
Regional Director Bureau of Mines
224 New Custom House
Denver 2, Colorado

Subject: Idm-E235

Dear Mr. East:

I am enclosing the operator's monthly progress report MF-104, covering the period January 25, 1952 to February 29, 1952 inclusive.

Sill work was completed, hoist and chute lips installed and 28 ft. of raising accomplished during the period.

Due to extremely hard ground, the raise is advancing slowly.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY

J. E. Dunn
Superintendent

JED:lf
ENC.

COPY

500 FILE COPY
SURNAME:

Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JAN 16 1952

Mr. J. H. East, Jr.
Executive Officer, Region IV
224 New Customhouse Building
Denver 2, Colorado

Re: Docket DMA 1225X
Contract Idm-E 235
Callahan Zinc Lead Co.

Dear Mr. East:

We are enclosing herewith one copy of an exploration project contract for the Erie unit of the Callahan Zinc-Lead Company, bearing register number and effective date as shown.

This contract has been signed by Mr. Joseph T. Hall, President for the company and by this office for the Government.

The remaining copies of the contract will be distributed to the Operator, Fiscal Office and other departments connected with the administration of the project.

Sincerely yours,

(signed) FRANK E. JOHNSON

Chairman, Operating Committee
Defense Minerals Exploration
Administration

J.N. 1-16-52

Enclosure - 1

APPROVED:

Member, Bureau of Mines

Member, Geological Survey

DEMoulds/hmj
1-11-52
cc to: Adm. R. File
Docket File Copy
Mr. Moulds
Mr. Bishop
Mr. McKnight
Region VI

FILE COPY
SURNAME:

Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

JAN 16 1952

Mr. Joseph T. Hall, President
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York, New York

Re: Docket No. DMEA 1225X
Contract Idm-E235

Dear Mr. Hall:

We return to you, herewith, your copy of exploration project contract for the Erie raise and drift. The contract bears register number, Idm-E235, and effective date of January 11, 1952.

Mr. J. H. East, Jr., Executive Officer, Region IV, Denver, Colorado, is being supplied with a copy for administrative purposes, and we request that you advise Mr. East when work is started under the provisions of the contract.

Sincerely yours,

Signed

J.W. 1-16-52

D. E. Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration

Enclosure-1

DEMoulds/meh
1/14/52
cc to: Adm. R. File
Docket File Copy
Mr. Moulds
Region IV (2)

CALLAHAN ZINC-LEAD COMPANY, INC.
100 PARK AVENUE
NEW YORK 17,
OREGON 9-1300

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
JAN 10 10 32 AM '52

OFFICE OF THE PRESIDENT

January 9, 1952

U. S. Department of the Interior
Base Metals Division
Defense Minerals Exploration Administration
Washington 25, D. C.

Attention: Mr. D. E. Moulds, Acting Chief

Re: Docket No. DMA 1225X

Gentlemen:

In reply to your letter of December 21st we return to you herewith original and five copies of the proposed Exploration Project contract, DMA 1225X which we have executed.

We look forward to receiving from you one copy signed by the Government identified with effective date and register number.

Very truly yours

CALLAHAN ZINC-LEAD COMPANY, INC.

Joseph T. Hall
President

JTH:aim
Encl.
CC: R. F. Mahoney
J. E. Dunn

500LE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Moulds
Mitt

DEC 21 1951

Mr. Joseph T. Hall, President
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, New York

Re: Docket No. DMA 1225X

Dear Mr. Hall:

We are transmitting herewith the original and five copies of a proposed contract for the subject Exploration Project.

If this contract meets with your approval, sign the original and five copies and return to this office. Upon receipt of the contract, it will be signed for the Government and identified with effective date and register number. One copy will then be returned to you, and the others distributed to the departments charged with the administration of your project.

Sincerely yours,

Signed

D. E. Moulds, Acting Chief
Base Metals Division
Defense Minerals Exploration
Administration.

J.B.
12-21

Enclosures - 6
DEMoulds/hmj
12-20-51
cc to: Adm. Reading File
Mails and Files
Mr. Mittendorf
Mr. Moulds
Mr. Mote
Mr. McKnight
Region IV
Docket

Ac.

FILE COPY 500
SURNAME:

Moulds

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

December 19, 1951

not stripped in R. & R.

Memorandum

To: Chairman, Operating Committee

From: D. E. Moulds

Subject: Callahan Zinc-Lead Company
Docket No. DMA ~~1977~~

The attached application was filed on May 22, 1951 and action had been held up on it until transmitted to PED on December 6, 1951.

The officials of the company are in New York City, and it appears necessary in expediting the contract to avoid sending it to Denver prior to signing by the applicant.

The proposed contract is, therefore, submitted for review prior to advising the applicant that the contract is ready for signature. If the contract is approved for administration of the Region, it will be sent to New York for signing and then distributed to Region and other departments involved.

D. E. Moulds

Attachment

Mr. Moulds/meh
cc to: Mails and Files
Mr. Mittendorf
Mr. Moulds
Mr. Bishop
Mr. McKnight
Docket

Chairman, Operation Committee

For Bureau of Mines

For Geological Survey

BV

FILE COPY
SURNAME:

140

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

December 18, 1951

Memorandum

not stripped in R & R

To: Acting Administrator

From: Chief Counsel

Subject: Callahan Zinc-Lead Company, Incorporated, exploration contract — Docket No. DMA-1225X

The draft of the exploration project contract in this case, submitted to us on December 14, is approved as to legal form and sufficiency for signature on behalf of the Government, subject to:

1. Proper signature by the applicant.
2. Proper dating prior to delivery.
3. Government approval of all subcontracts.

Your file in this case is returned.

/s/
J. L. Hofflund CJK
Chief Counsel

Attachment
CJKoontz/bjl

Copy to: Repts. & Records
J. L. Hofflund
C. J. Koontz
Chron.

ZINC-LEAD 12/11/51

Dear Mr. Moulds:

The following breakdown may help you in preparing Contract on X1225. If not no harm done. The numbers refer to paragraphs on form MF-200.

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 13 1951

No 3. Exhibit A.

This project shall consist of the following

(1.) 120 feet of raising (2 compartment) from the Erie 400 level to explore the unconformity between the Pennsylvania Beldon Sediments and the Mississippian Leadville Lime stone at the current horizon

120 ft at est cost of $40.00 — 4800.00

(2.) 750 ft Drifting on mineralized beds from top of above raise

750 ft at est cost of $33.19 — 24890.00

(3) Equipment rental 7 mo at $130 — 910.00

30600.00

No. 6. MF-200 Exhibit C.

1 Air Locomotive	1400.00
8 Mine Cars	2000.00
2 Jacks 5 H.P.	900.00
1 Hoist air.	800.00
2 Rock drills	1700.00
1 Column	50.00
1 Army ambulance	750.00
1 Pump air.	200.00
	7800.00

Rental on 60 mo basis
$130.00 per mo.

8. MF 200 Exhibit D.

Labor No	Class	Maximum Days pay Guarantee
4 to 6	Miners	11.84
	(This on contract rate based on amt of work done.	
2	Drammers	11.84
2	Compressor men	11.52
2	Shop men	13.76
1	Electrician	13.76

1 waste dump man

(above men performing work for entire operation and prorated on basis of tons of material handled)

Supervision, Engineering, Geology, Accounting etc.

1	Mine Foreman	460.00 Mo.
1	Engineer	418.90 ✓
1	Geologist	389.40 ✓
1	Clerk	10.56 per day

(above prorated on basis of man shifts of labor performed)

I hope the above is some help. If you need more let me know. I will call you Monday at 4.00 Washington time if O.K. instead of Tuesday at 3.00 since it will be more convenient for me. ~~If no~~ to get to a

plane. If this mat at let me know
<u>air mail</u>. These figures are
only rough so if you find errors
in addition you can fix them
up. Good luck

B. James Flynn

Gunnar:

The Erie Mine application (1225X) is ready for consideration by PED.

You will note I have not answered Mr. Hall's letter asking for an indication of when the application will be finally acted upon. I don't know the answer. That depends on PED and others. I would suggest that a telephone call to Mr. Hall might clear up the following minor stumbling blocks: (a) what part does a Dodge ambulance @ $80/month have in driving the raise and drift (b) isn't a bit and steel cost of $2.87 with another $1.34/ft for shop costs high

Callahan Zinc Lead Co
DNM 1925 x
Eric Nunn

Mel -

The rather shabby handling of this application is as follows:

Mr Hall wrote Howard Young on Sept. 20 - 1951 about it - Halls letter was referred to your Department on Oct 10 - as soon as I got the application PED decided it - but I had letters promised to contact my congressman -

I then left a day or two later and I was told that USGS had it then - although it seemed he knew nothing about it or follow up -

I checked it today - called Mr. Bishop of the Reports & Records and he said - Bishop said see Mr Kreigh. Mr Kreigh's office said it left that office on 11/15/51 - and that it has been lost there on account of orders prohibiting 2 properties to one company and was entered since orders were received -

I then asked the congressman's office if it was possible to get it back - I think that the big shots of Nevada are pressure where it hurts - I think maybe a press story would cost the PED -

I received the year's Dow Jones report for simple reason -

Regards

Fred

CALLAHAN ZINC-LEAD COMPANY, INC.
100 PARK AVENUE
NEW YORK 17, N.Y.
OREGON 9-1300

DEPARTMENT OF THE INTERIOR
RECEIVED
DEC 6 1951
Defense Minerals Administration,
Production Expansion Division.

OFFICE OF THE PRESIDENT

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D.C.
DEC 6 1 00 PM '51

December 5, 1951

Mr. C. O. Mittendorf
Defense Minerals Administration
Washington, D. C.

Dear Mit:

This is just a note to remind you of our conversation last night and to confirm that our Erie project is DMA - 1225X. It is a small project involving a total of only $30,000 and has been apparently without action of any kind since May 25th despite telephone and written assurances.

Arthur or I will phone you Friday to see what you have found out.

Sincerely,

Joseph T. Hall

JTH:aim

McKnight
6/5/51
Bishop
11/1/51

Defense Minerals Administration

Review of Application for Exploration Assistance

Docket No. DMA 1225X

To: Production Expansion Division

Commodity Lead, zinc

Total Amount $30,617.00

From: Director, Supply Division

Govt. Participation 50%

1. Name and Address of Applicant Callahan Zinc-Lead Company
100 Park Avenue, New York 17, New York

2. Location of Property Erie Mine, Sec. 35, T. 50 N., R. 5 E., and Sec. 2, T. 49 N, R. 5 E., Tomichi District, Gunnison County, Colorado

3. Mineral or metal Lead-Zinc Is it listed in Section 9 of MO-5? Yes

If not, application will be rejected.

4. Geologic probability of discovery—based on data in application (question #16, 17, 18, 20 and 22)*

Mines or Survey reports, etc., do you rate chances:

a) Good Yes, see attached statement

b) Poor

c) None

d) Don't know—needs field examination

e) Is there an alternative and favorable project?
(If so, attach an explanation)

5. Is the applicant's right to the property clearly stated? Yes
(question 5, 6, 7)*

6. If applicant is a lessee, is a copy of the lease attached? Does not apply

Does the lease have sufficient time to run to cover a future productive period? Does not apply

*question numbers are those of MF-103

4. (a) The Erie mine is operated as a part of the Akron Unit, the general geology of which is described by C. S. Robinson of the Geological Survey in DMA Docket 110 as follows:

The sedimentary formations overlying the Pre-Cambrian granite in the Whitepine area (southern part of Tomichi mining district) are successively, the Cambrian, Sawatch quartzite, the Manitou dolomite, Harding quartzite, and Fremont dolomite of Ordovician age, the Devonian Chaffee formation, the Mississippian Leadville limestone, and the Pennsylvanian Belden shale. The sedimentary rocks are folded into a broad syncline with minor folds on the limbs. The formations have been faulted and intruded by the Princeton quartz monzonite, rhyolite, and rhyolite porphyry dikes. Replacement deposits of lead-zinc-silver ore occur in the limestones and dolomite along the axes of the folds and especially along the faults.

The proposed exploration is in a favorable horizon of the Leadville limestone

B. Gildersleeve GS

7. Are subordination agreements necessary? No

a) MF-201? _____

b) MF-202 _____

8. From the data presented, does the proposed project appear feasible from the point of view of:

a) Available manpower Yes

b) Equipment and supplies Yes
(Question 14 plus general knowledge of availability)*

c) Accessibility (question 12)* Yes

d) Water (question 13)* Yes

e) Power (question 13)* Yes

Is a field check needed on any of these points? No

9. Does the experience of the applicant appear to be adequate to assure that he can properly conduct the proposed project? (question 4)* Yes

_____

Is a field check needed on this point? No

10. Exhibit A. (questions 21 and 22)*

a) Is the project adequately described? Yes

If not, are there sufficient data given so that you can describe the project? _____ If so, attach a draft.

b) Is there an adequate map or sketch of the proposed work? Yes

_____

c) Is the proposed work "exploration" under the definition of Section 8, MO-5? Yes

If not, what part of it is? _____

_____

_____

_____

EXHIBIT "A"

10. (d) Draft of costs based on applicants statements

Raise - 120' long (2 cmpt approx. 5'x 8') at $37.37...	$ 4,485.00
Drift - 750' long 5' x 7' section with necessary stations at bottom and top of raise, 750 ft. at $34.84.	26,132.00
	$30,617.00

Applicant breaks all costs down into labor, supervision, supply and overhead items - average cost for the 870 ft. of work, including stations is $35.19 per foot.

Is this part a worthwhile exploration project? _____

d) Are the cost estimates detailed? Yes

Can they be summarized, as on page 2 of Procedural Instruction 5-A, from the available data? Yes If so, attach a draft. See attached draft.

e) Are the cost estimates reasonable? Yes, considering elevation

f) Should more information be requested from applicant? No

g) Is a field examination necessary to complete Exhibit A? No

11. Exhibit B (question 23-d)*

a) Is it applicable? No

b) If so, are sufficient data furnished? _____ If so, attach a draft.

c) Is a field check needed? _____

12. Exhibit C (question 23-e, f and g)*

a) Is it applicable? Yes

b) Sufficient data? Yes If so, attach a draft. See attached draft.

c) Are rents and charges reasonable? Yes

d) Is a field check needed? No

13. Exhibit D (question 23-a, b)*

a) Are there sufficient data? Yes

b) Is the schedule adequate for the work proposed? Yes

c) Is the schedule excessive for the work proposed? No

d) Are the proposed wages and salaries reasonable? Yes

e) Is a field check needed? No

EXHIBIT "C"

12. (b) 23 (e) and (f) do not pertain.

Rental value of owners equipmentto be used:

1	Locomotive at $300/mo (7 mos. 2/3 of time).....	$ 1,400.00
2	16 cu ft Mine cars at $10/mo (7 mos. full time)...	140.00
6	16 cu ft " " " $10/mo (7 mos. 2/3 time)...	281.00
1100	ft. power cable at $40/mo (7 mos.).....	280.00
2	5 H.P. Fans at $10/mo. (7 mos.).....	140.00
1	1 ton Hoist at $50/mo (7 mos.).....	350.00
2	Rock Drills at $65/mo (7 mos.).....	910.00
1	Column Arm and Clamp at $7/mo (7 mos.).....	49.00
1	Dodge Ambulance at $80/mo. (7 mos.).....	560.00
		$ 4,110.00

14. Exhibit E (question 23-c)*

a) Is it applicable? No

b) Sufficient data?

c) Reasonable?

d) Field check needed?

15. In your judgment, can the proposed work be done in the proposed time? Yes

(All exploration must be completed within two years)

16. If field examination is not needed, attach your recommendation.
Recommended for approval

17. If field examination is needed, do you have any special instructions for the field team not indicated by your answers to the foregoing question?

Attached hereto are:

3 Forms MF-103 with supporting data and maps
2 Forms MF-100

Reviewed by: B. Gildersleeve GS 8-20-51

O. M. Bishop 10-28-51

Date 11-1-51

INT.-DUP. SEC., WASH., D.C. 99009

COPY

CALLAHAN ZINC-LEAD COMPANY, INC.
100 Park Avenue
New York 17, New York

September 20, 1951

Mr. Howard I. Young
Defense Materials Procurement Agency
Washington, D. C.

Dear Howard:

I know that the country and the mining industry in particular are fortunate in your unselfish decision to lend a hand in Washington at this difficult time. The industry, I am sure, will stand behind you and certainly we in our small way will endeavor to contribute as we are able to the solution of the problems with which you are faced.

Callahan has endeavored to carry out the objectives of the Government's exploration program and, as you may know, has undertaken a major project at the Akron mine upon which contract DMA-110 has been executed. We have been at strong difference with DMA over their treatment of one phase of this project, but I do not wish to raise this at present.

On May 25th we presented a project for our Erie mine which has been designated DMA-1225X. Our assistant superintendent came to Washington from Colorado and presented the application in person and reviewed it with DMA personnel who assured him of prompt attention. Strobel acknowledged receipt as of May 23rd, but despite numerous phone calls and letters, we can find no evidence of action of any kind. We were quite surprised to learn from alletter dated June 28th from Otto Herres that DMA was setting aside projects presented by applicants who already had received contracts.

It is now almost four months since filing and three since Herres' letter, and we've still no word. This is especially distrubing because the property lies at an elevation of over 10,000 feet, and the time is coming very close when it will not be feasible to inaugurate work until late next spring.

DMA-1225X is a small one involving only about $30,000, but it may serve as an example of one of the troubles with the exploration program so far. Perhaps some one might run it down for you and thus bring to light a condition I suspect needs correction.

This letter brings to you all ~~the~~ best wishes for accomplishment in your difficult task and our assurance of cooperation.

Sincerely yours,

s/ Joseph T. Hall
Joseph T. Hall

JTH:aim

DEFENSE MINERALS
ADMINISTRATION
WASHINGTON, D. C.
OCT 18 1 36 PM '51

CALLAHAN ZINC-LEAD COMPANY, INC.
100 PARK AVENUE
NEW YORK 17, N.Y.
OREGON 9-1300

OFFICE OF THE PRESIDENT

October 17, 1951

Mr. C. O. Mittendorf
Acting Administrator
U. S. Department of the Interior
Defense Minerals Administration
Washington 25, D. C.

Re: Docket DMA 1225X, Lead-Zinc
Erie Mine - Colorado

Dear Mr. Mittendorf:

We are disappointed to learn from your undated letter received here on October 15th that action on DMA 1225, filed last May, has been so slow that you are unable yet to give us indication of when it will be acted upon, and discourage hope of action in time to permit work this year.

We hope that you will expedite the processing as you indicate, but I am sure that expansion of critical metal production is bound to lag very seriously when a simple application like ours, involving a small sum of money, cannot be acted upon in five to nine months.

Very truly yours,

Joseph T. Hall

Joseph T. Hall

OFFICAL FILE COPY

JTH:aim
CC: H. I. Young
R. F. Mahoney
J. E. Dunn

To	Init.	Date
		10-18
230		

OCT 22 1951

FILE COPY
SURNAME 400

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

OCT 1 2 1951

Mr. Joseph T. Hall
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, New York

Re: Docket DMA 1225X, Lead-Zinc
Erie Mine - Colorado

Dear Mr. Hall:

Mr. Howard Young, Deputy Administrator of Defense Materials Procurement Agency, has requested me to reply to your letter of September 20, 1951 to him, with respect to the subject application.

I find that the project has not yet been passed from the Lead-Zinc Branch to the Production Expansion Division, but Mr. Billings, Branch Chief, has just advised me that he expects it to clear his office this week.

Owing to the large number of projects now in the work backlog of the Production Expansion Division, it is not possible at this time to forecast when yours will be considered.

While we will do our best to expedite the processing of this project, it is felt that it would not be possible to clear it in time for you to do much work this year as the end of the season for work in that district of Colorado is in sight.

Sincerely yours,

C. O. Mittendorf

Acting Administrator

PBBlakemore/meh
Typed: 10/10/51
cc to: Reports and Records
Adm. Reading File
Mr. Howard Young, Dep. Adm. of DMPA
Mr. Feiss, GSA Bldg.
Messrs. Mittendorf, Olund
Mr. Billings
Mr. Blakemore
Docket

Bostwick is supposed
to have this
in Bishop book applicants
letter of Coff 17 to make
a reply
Del 29

GSA FORM 14
1-25-50

GENERAL SERVICES ADMINISTRATION

ROUTING SLIP

TO NAME	BUILDING, ROOM NUMBER, ETC.
1. C.O. Mittendorf	
2.	
3.	
4.	
5.	

FOR

- [ ] APPROVAL
- [ ] AS REQUESTED
- [ ] CORRECTION
- [ ] FILING
- [ ] FULL REPORT
- [ ] HANDLE DIRECTLY
- [ ] PREPARE REPLY FOR SIGNATURE OF: _____
- [ ] IMMEDIATE ACTION
- [ ] INITIALS
- [ ] NECESSARY ACTION
- [ ] NOTE AND RETURN
- [ ] READ AND DESTROY
- [ ] _____
- [ ] RECOMMENDATION
- [ ] SEE ME
- [ ] SIGNATURE
- [ ] YOUR COMMENT
- [ ] YOUR INFORMATION
- [ ] _____

ANSWER OR ACKNOWLEDGE BEFORE _____

FROM J.W. Feiss

DATE 9/28/51

REMARKS

Mit: This is the item I telephoned you about on Thursday, the 27th. You stated at the time you would check up on Joe Hall's application. In view of the delay, it was submitted I know as of May 23, possibly we should get in touch with him immediately.

F-50-695

OCT 1 - 1951

Mr. Joseph T. Hall
Callahan Zinc-Lead Company, Inc.
140 Park Avenue
New York 17, New York

Dear Joe:

This will acknowledge receipt of your letter of September 20 with reference to the docket on the Erie Mine, DPA 1225X. It was my understanding that at the very beginning of the exploration program, it was more or less the policy to turn out only a single contract to any one applicant until the current backlog had been cleared. After that there would be a review for second applications.

This matter is being taken up directly with Mr. Wittendorf and you should hear from him shortly.

Thanks for your remarks with respect to the job ahead. It is going to be tough and I have no illusions about it, but I hope that we will be able sooner or later to have an effective program in operation -- needless to say, the sooner the better.

Sincerely yours,

HOWARD E. YOUNG
Deputy Administrator
Defense Materials Procurement Agency

Howard E. Young
Deputy Administrator

JOF:HEY/af
9/28/51
248453
Copy to: Files
Mr. Larson
Mr. Young
Mr. Wittendorf
Mr. Doiss

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

July 17, 1951

Mr. Joseph T. Hall, President
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, New York

Dear Joe:

Reference is made to your letter to me of July 11 in reply to mine of June 12, which in turn was in reply to yours of June 5, relating to DMA-110 and DMA-1225X.

I regret that you think that the regulations governing Government aid in defense exploration projects (MO-5) are not all that they should be, but should be amended to allow as a credit work performed before the date of an exploration project contract. As indicated to you in my letter of June 12, I am unable to agree with you on this point.

In your letter of July 11 you refer to what seems to you ". . . a governmental attitude designed to discourage its friends . . ." I suppose that the best friends of the Government are its citizens—all of them; not merely those who desire to have or receive some special benefit from the Government.

If the Defense Minerals Administration should act upon the applications that involve large projects to the exclusion of the numerous small operators, this might leave many of the small operators out in the cold. Of course, the big operators are in better position than the small operators to present their applications in good shape and have them enacted upon; but Congress has made it plain that it desires the small operators to have special consideration and to have their applications acted upon as rapidly as possible. With this in view, this Administration is endeavoring to process the applications of small operators in due course, and particularly to give them preference over the applications of larger operators who already have one exploration project contract. This is not to say that applications are determined exclusively on the basis of whether they are large or small or whether the applicant already has a contract with the Government, but rather that these are necessary elements for consideration in carrying out the Defense Production Act for the promotion of the production and supply of

JLHofflund/em
Copy to: Administrator's reading file
L. F. Strobel
C. O. Mittendorf
J. L. Hofflund
Files

strategic and critical minerals and metals. Of course, the urgency for the supply of the particular metal or mineral which is the subject of the application is also a matter of prime consideration.

Sincerely yours,

Administrator

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

Herres
Bryant
Mott

June 28, 1951

DMA-1225X
Erie Project
Gunnison County, Colorado

Mr. W. A. Salo, Treasurer
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, N. Y.

Dear Mr. Salo:

Your letter of June 25 concerning the application of Callahan Zinc-Lead Company, Inc. for Government assistance under the exploration program of DMA on your Erie project in Colorado has been called to my attention.

As stated in your letter, Mr. Flynn of your company delivered the application in person and discussed it with me and others of the DMA organization. Unfortunately for prompt handling of the application, a large backlog had been built up and very many projects received previously were awaiting consideration. Under the circumstances we were notified to give earlier applications priority and to set aside additional projects presented by applicants that already had received exploration contracts.

It appears that the Defense Act will be extended and it is anticipated that our request for an additional appropriation to continue the exploration program for another year will be approved. If this proves to be the case, I shall be pleased to do whatever is possible to see that your application receives prompt consideration particularly in view of the short working season of your property at an elevation of 10,000 feet.

In case I can be of further assistance to you in this connection, kindly let me know.

Very truly yours,

Otto Herres

OTTO HERRES, Chief
Lead-Zinc Branch

OHERRES:ks

cc: Mr. Lyon
Mr. Strobel
Mr. Mote
Mr. McKnight
Mr. Herres
Files

DMA-1225

N

85

Mr. Herres

CALLAHAN ZINC-LEAD COMPANY, INC.
100 PARK AVENUE
NEW YORK 17, N.Y.
OREGON 9-1300

OFFICE OF THE TREASURER

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
JUN 2 6 1951
LANDON F. STROBEL
Executive Secretary

June 25, 1951

Mr. Thomas Lyon
Director of the Supply Division
Defense Minerals Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Lyon:

You were most helpful to us in the processing of our Akron Project A application, DMA-110. Your further attention to our Erie Project DMA-1225X is requested.

Application on this project was handed to your organization on May 22nd by James Flynn who made a special trip from Colorado to advance processing of our project. Receipt as of May 23, 1951 was acknowledged by Landon Strobel.

Flynn personally took copies of the application to Mr. Strobel, Mr. Herres and then Mr. Erwin J. Lyons. On June 1st, I talked to Mr. Lyons on the telephone and was told that shortage of staff had prevented consideration of our application but he would be in touch with our New York office if more information were required.

Since no word had been received, Mr. Hall telephoned Mr. Lyons on June 12th and was advised that it was expected that our application DMA-1225X would be reached that week.

Still having received no word, I telephoned Mr. Lyons on June 25th who advised that our application had been assigned to Mr. A. Brokew to whom I then talked. At first he was unable to indicate when it might receive consideration because it had been received after the May 31st dead line. I quoted Strobel's letter in confirmation of its May 23rd filing date and it appears June 22nd had been written on it in error. Mr. Brokew then seemed to imply that we could expect less attention because of the granting of project DMA-110.

I am sure that this is not consistent with your policy and believe you would wish to know of it. Nor does it seem proper that it will not receive even first scrutiny in two weeks or more, as Mr. Brokew indicated, having already been in your hands for over a month. As you know, the property is at 10,000 feet elevation and a project is most efficiently gotten under way during the summer months. Undue delay means greatly increased costs.

We have reason to believe that application on Project DMA-1225X is in good order and conforms to your policies as to merit and to your requirements as to form of application. We should deeply appreciate your looking into the subject to make certain that it gets proper attention which it seems not to have had to date.

Very truly yours,

CALLAHAN ZINC-LEAD COMPANY, INC.

E. A. Salo

E. A. Salo
Treasurer

EAS:fck
cc Mr. Otto Herres

FILE COPY
SURNAME:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION
WASHINGTON 25, D. C.

June 11, 1951

Mr. E. A. Salo
Treasurer and Director
Callahan Zinc-Lead Company, Inc.
100 Park Avenue
New York 17, New York

Subject: DMA-1225X
Re: Exploration Loan -
The Akron and Erie Mines

My dear Mr. Salo:

Receipt is acknowledged of your application and attachments of May 22, 1951 for an exploration loan under the Defense Production Act of 1950.

The application was assigned Docket Number DMA-1225X and referred to Mr. Otto Herres, Chief, Lead-Zinc Branch, on May 23, 1951.

In any future correspondence relating to your application, kindly refer to DMA-1225X.

Sincerely yours,

LANDON F. STROBEL
HB

Landon F. Strobel
Executive Secretary

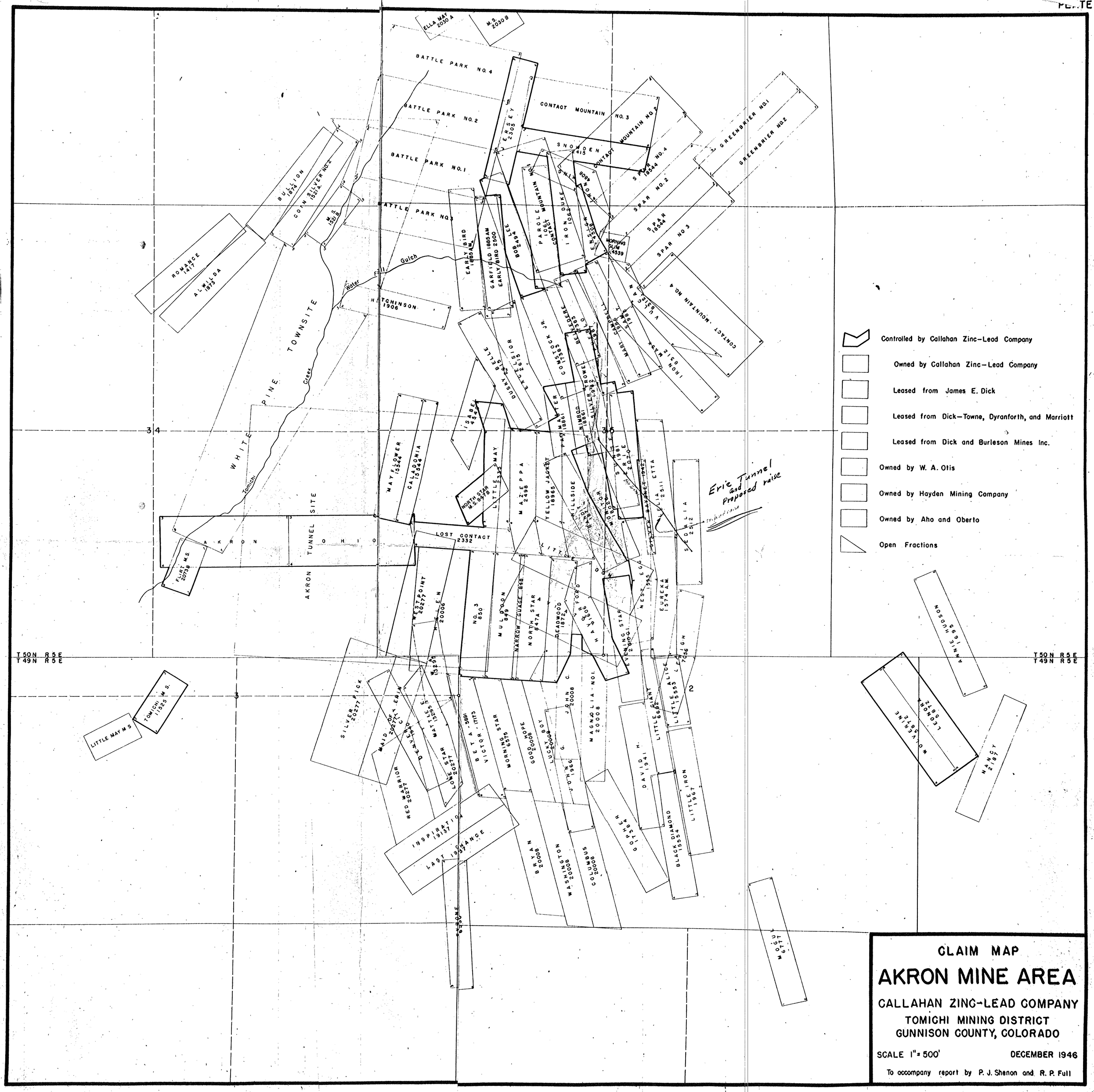
LFSTROBEL:hb

Copy to: Mr. Strobel
Mr. Lyon
Mr. Herres
Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID
PAYMENT OF POSTAGE, $300
(PMGC)



CLAIM MAP

AKRON MINE AREA

CALLAHAN ZINC-LEAD COMPANY

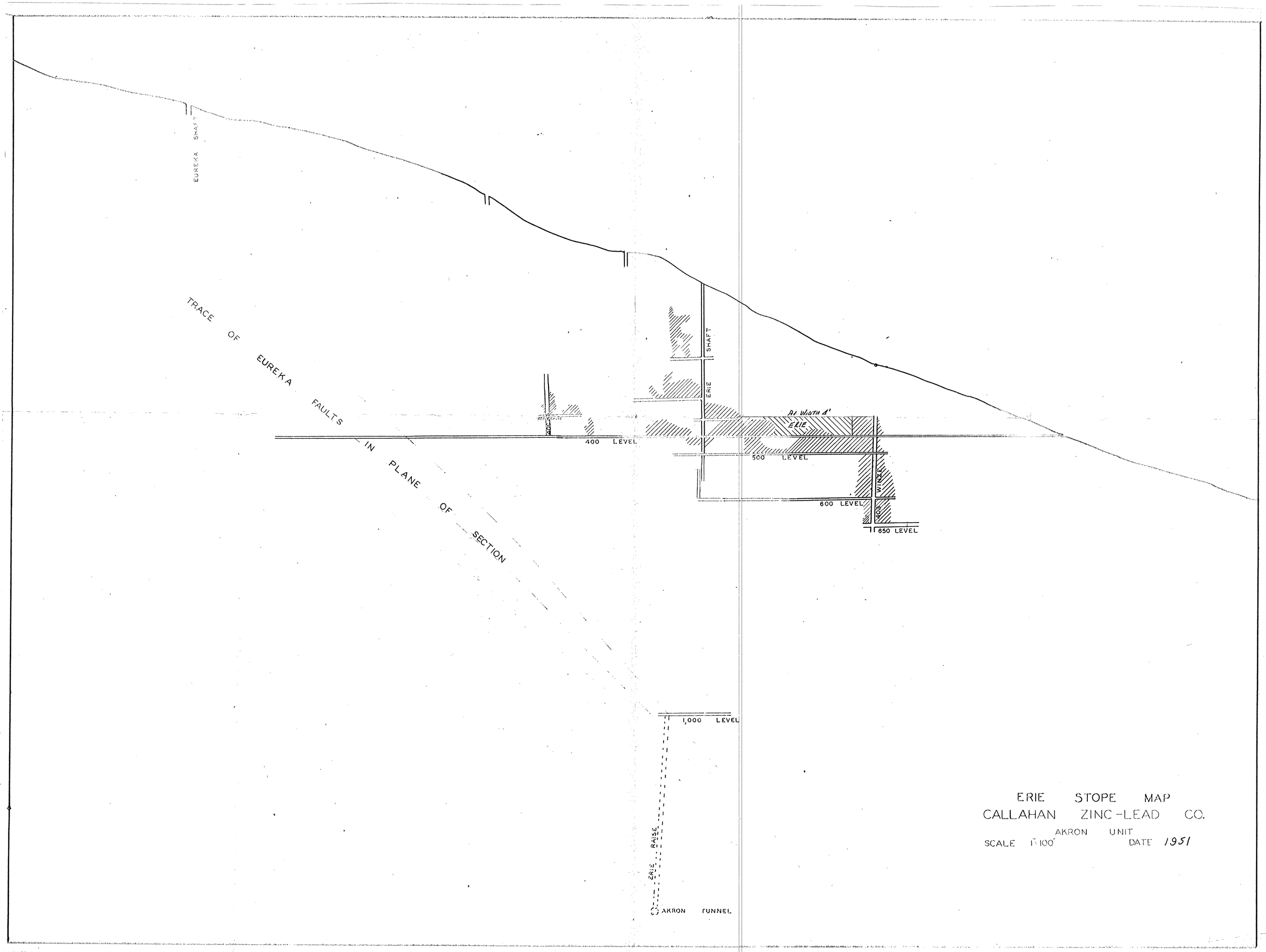
TOMICHI MINING DISTRICT

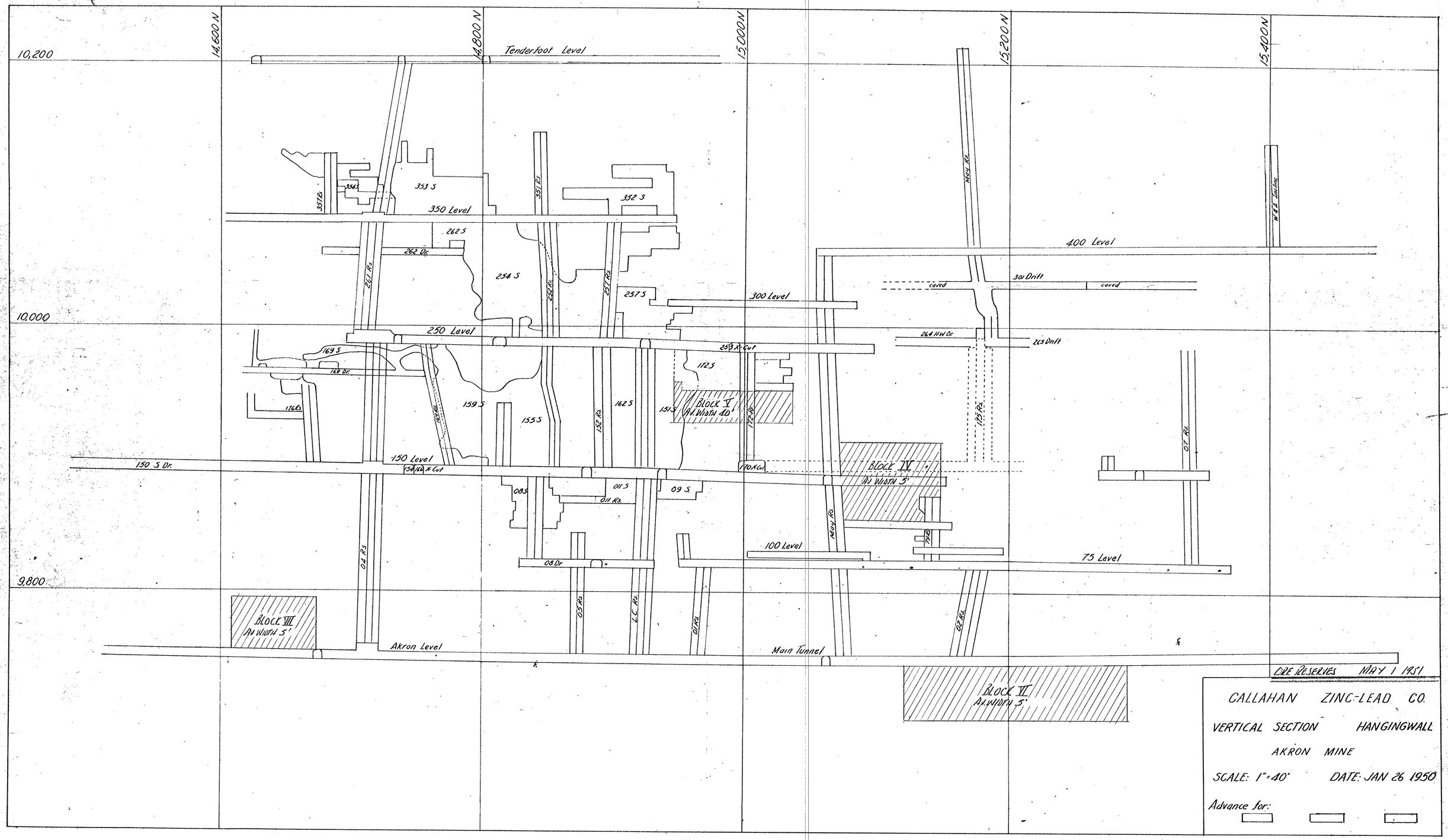
GUNNISON COUNTY, COLORADO

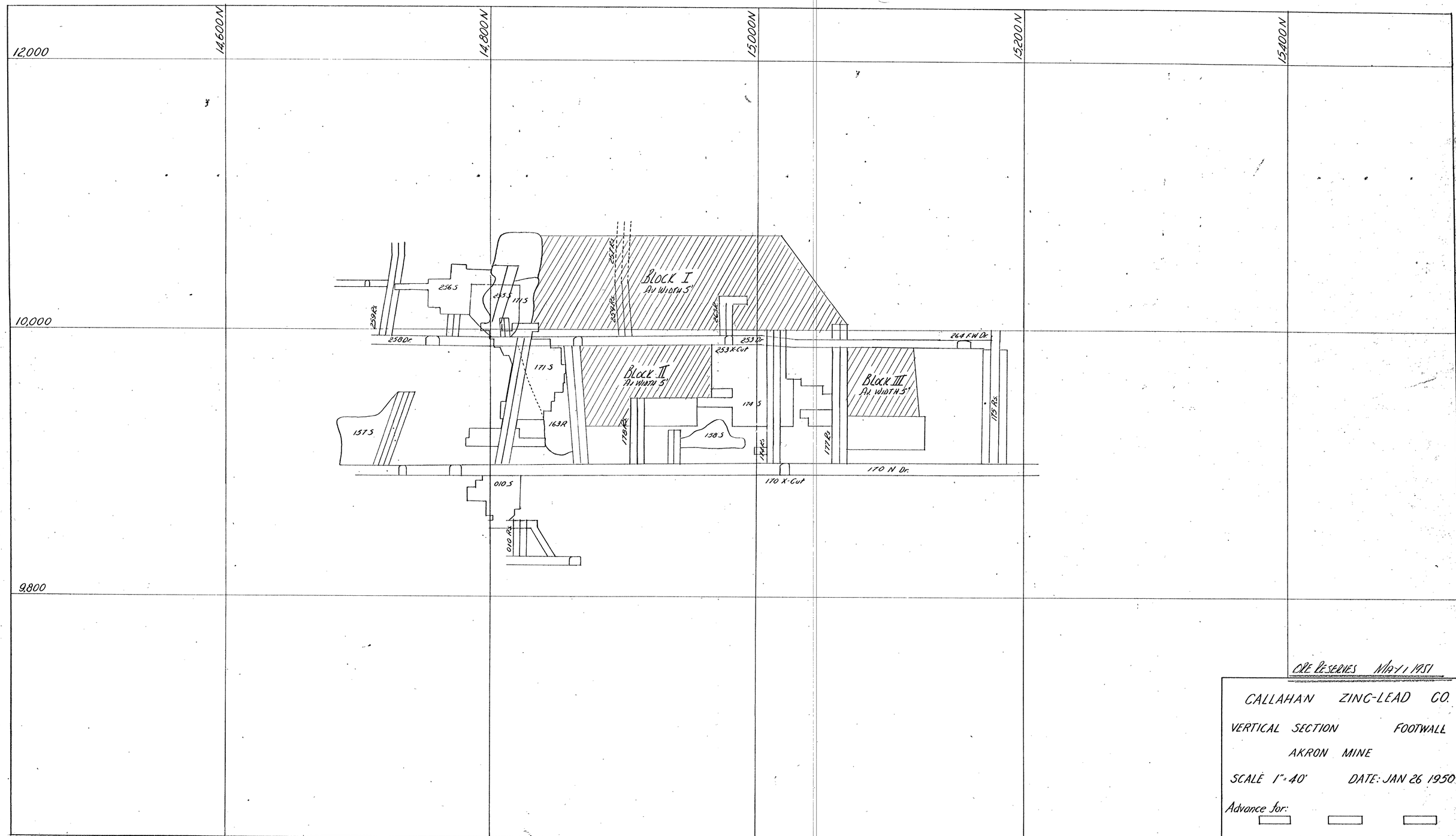
SCALE 1" = 500'

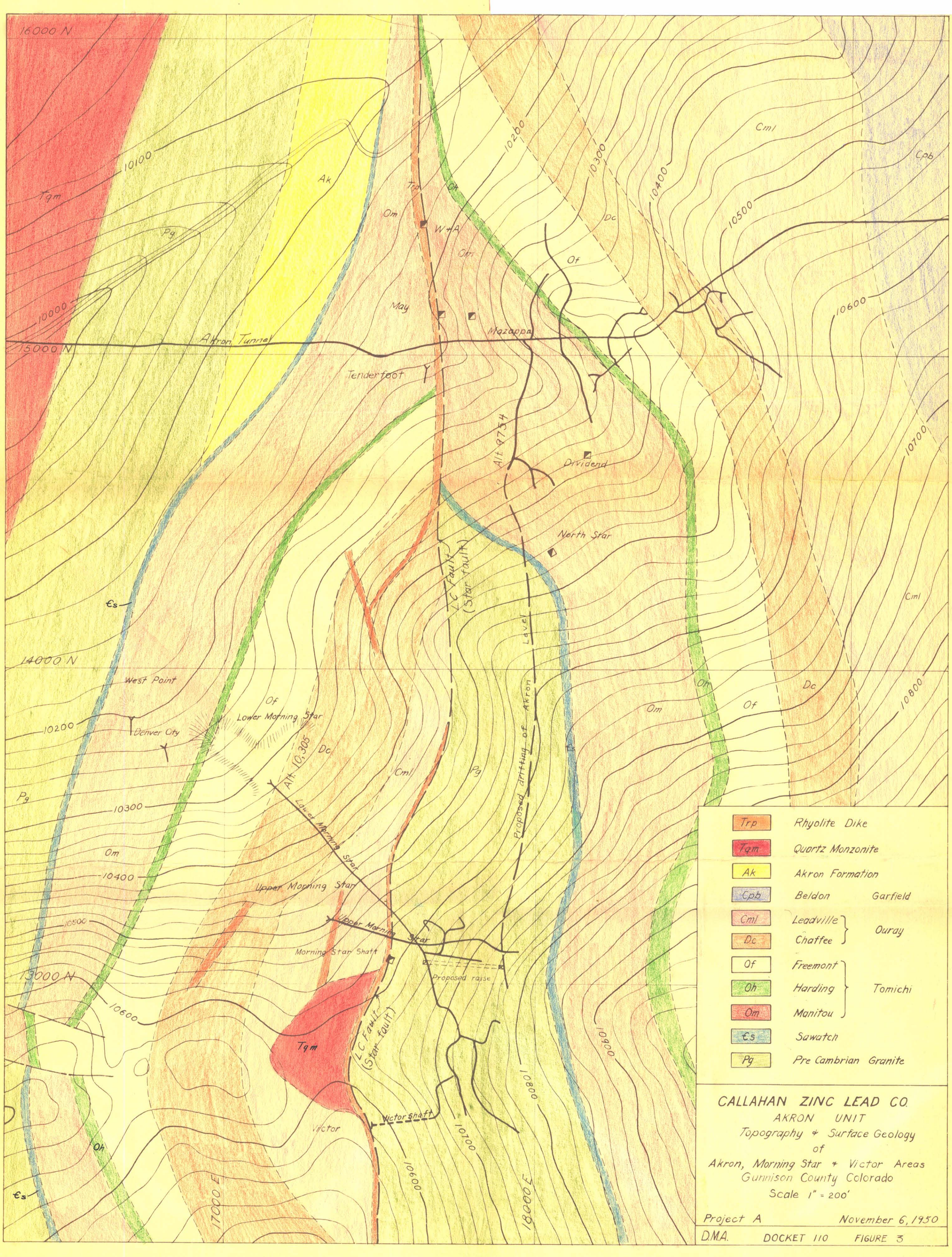
DECEMBER 1946

To accompany report by P. J. Shenon and R. P. Full


EUREKA SHAFT
TRACE OF EUREKA FAULTS IN PLANE OF SECTION
ERIE SHAFT
AT WIDTH 4'
ERIE
400 LEVEL
500 LEVEL
600 LEVEL
WINZE
403
650 LEVEL
1,000 LEVEL
ERIE RAISE
AKRON TUNNEL
ERIE STOPE MAP
CALLAHAN ZINC-LEAD CO.
AKRON UNIT
SCALE 1" = 100'
DATE 1951


10,200
10,000
9,800
14,600 N
14,800 N
15,000 N
15,200 N
15,400 N
Tenderfoot Level
350 Level
262 S
262 Dr.
261 Rs.
353 S
357 Rs.
351 Rs.
352 S
254 S
252 Rs.
257 Rs.
257 S
300 Level
250 Level
169 S
169 Dr.
176 Rs.
159 S
155 S
152 Rs.
162 S
151 S
Block I
Av. Width 40'
112 S
150 S Dr.
150 Level
08 S
011 S
011 Rs.
09 S
Block IV
Av. Width 3'
100 Level
08 Dr.
02 Rs.
03 Rs.
E.C. Rs.
01 Rs.
Nov. Rs.
Block III
Av. Width 5'
Akron Level
Main Tunnel
Block V
Av. Width 5'
Nov. Rs.
400 Level
301 Drift
caved
caved
264 HW Dr.
263 Drift
175 Rs.
07 Rs.
07 Rs.
W.C.Z. Incline
ORE RESERVES MAY 1 1951
CALLAHAN ZINC-LEAD CO.
VERTICAL SECTION HANGINGWALL
AKRON MINE
SCALE: 1"=40'
DATE: JAN 26 1950
Advance for:


12,000
14,600 N
14,800 N
15,000 N
15,200 N
15,400 N
10,000
9,800
Block I
At Width 5'
Block II
At Width 5'
Block III
At Width 5'
256 S
253 S
171 S
259 Rs
258 Dr.
257 Rs
259 Rs
262 Rs
253 Dr.
253 X-Cut
264 FW Dr.
171 S
163 R
157 S
178 Rs
158 S
174 S
176 Rs
177 Rs
175 Rs
170 N Dr.
170 X-Cut
010 S
010 Rs
ORE RESERVES MAY 1 1951
CALLAHAN ZINC-LEAD CO.
VERTICAL SECTION FOOTWALL
AKRON MINE
SCALE 1" = 40' DATE: JAN 26 1950
Advance for:



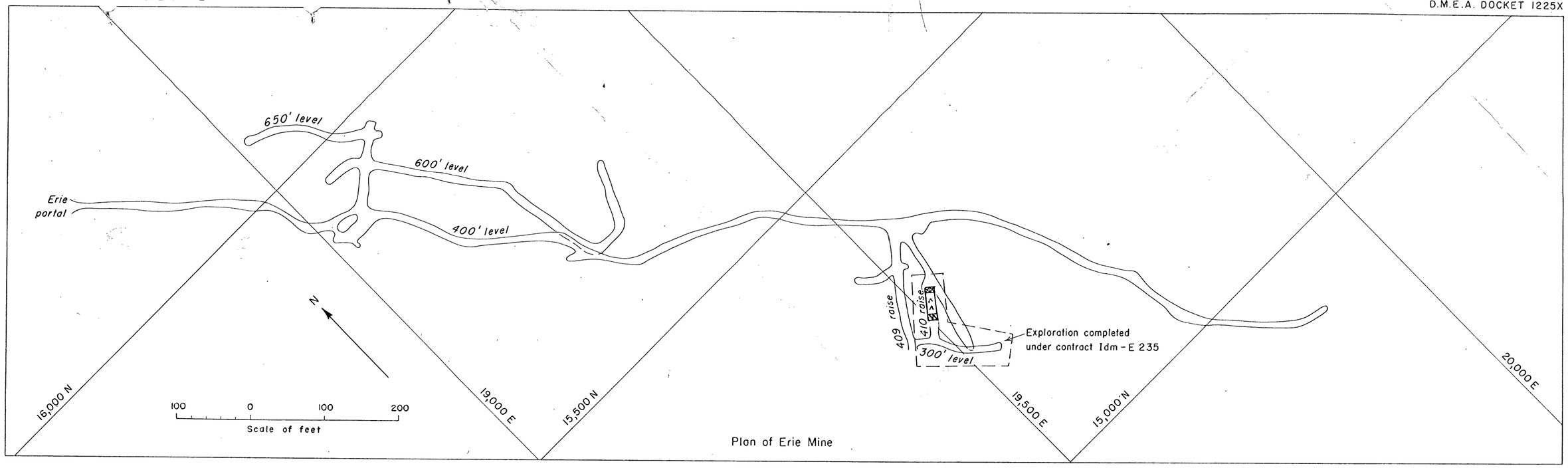
CALLAHAN ZINC LEAD CO.
AKRON UNIT
Topography & Surface Geology
of
Akron, Morning Star & Victor Areas
Gunnison County Colorado
Scale 1" = 200'

Project A November 6, 1950

D.M.A. DOCKET 110 FIGURE 3

DEPARTMENT OF INTERIOR
UNITED STATES GEOLOGICAL SURVEY

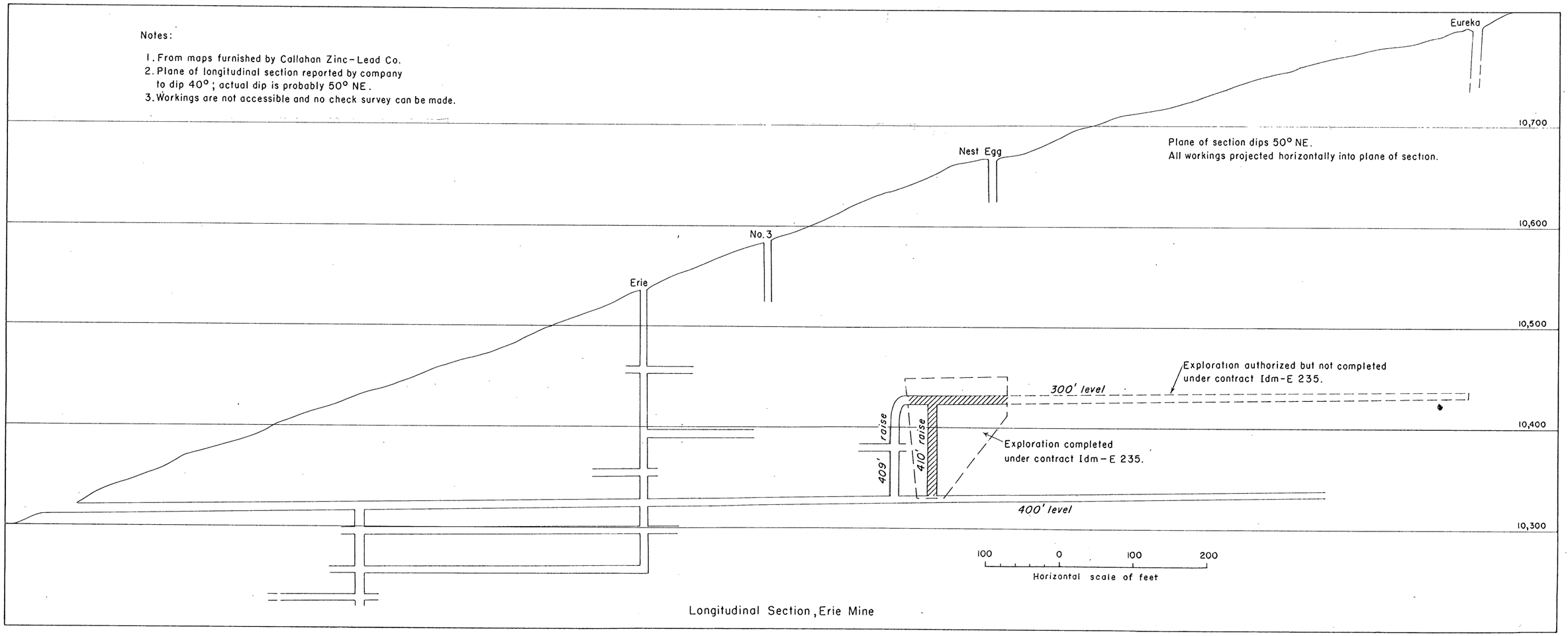
D.M.E.A. DOCKET 1225X



Plan of Erie Mine

Notes:

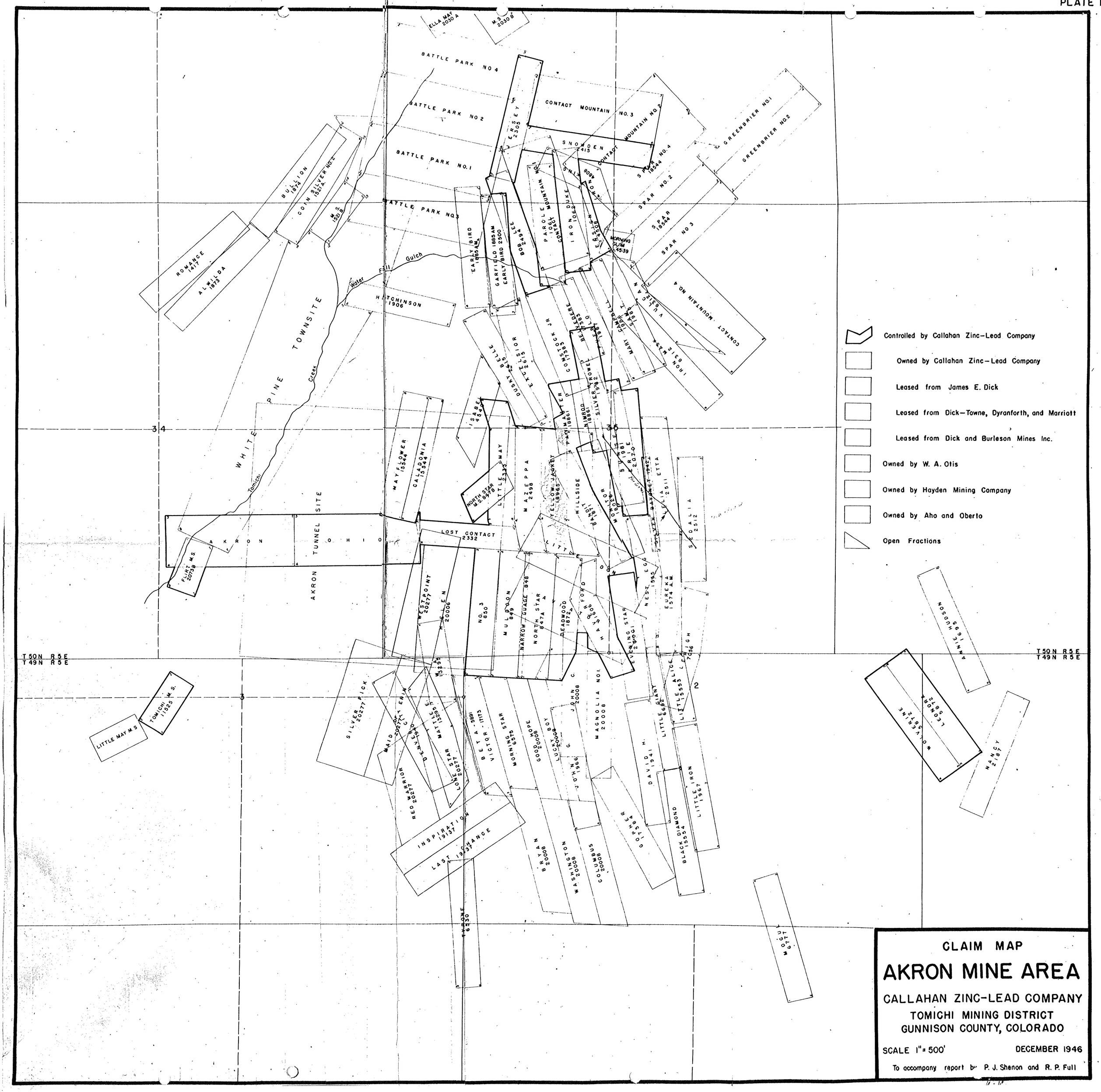
1. From maps furnished by Callahan Zinc-Lead Co.
2. Plane of longitudinal section reported by company to dip 40°; actual dip is probably 50° NE.
3. Workings are not accessible and no check survey can be made.



Longitudinal Section, Erie Mine

E. N. Harshman
Sept. 1953

FIG. 1 PLAN AND SECTION OF ERIE MINE, D.M.A. DOCKET 1225X, CONTRACT IDM-E 235



CLAIM MAP

AKRON MINE AREA

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DECEMBER 1946

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